

Union Calendar No. 258

108TH CONGRESS
2D SESSION

H. R. 3873

[Report No. 108-445]

To amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2004

Mr. CASTLE (for himself, Mr. BOEHNER, Mr. McKEON, Mr. UPTON, Mr. EHLERS, Mr. KELLER, Mr. WILSON of South Carolina, Mr. PORTER, Mr. CARTER, Mr. CASE, Mr. PEARCE, Mr. SIMMONS, Ms. WATSON, Mr. PETERSON of Minnesota, and Ms. KILPATRICK) introduced the following bill; which was referred to the Committee on Education and the Workforce

MARCH 23, 2004

Additional sponsors: Mr. OSBORNE, Ms. MAJETTE, Mr. HASTINGS of Washington, Mr. WEXLER, Ms. WOOLSEY, Mr. FILNER, Mr. GREENWOOD, Mr. PLATTS, Mr. MARSHALL, Mrs. DAVIS of California, Mr. ANDREWS, Mr. NORWOOD, Mr. GEORGE MILLER of California, Mr. CROWLEY, Mr. VAN HOLLEN, Mr. HOEFFEL, Mr. JEFFERSON, Ms. NORTON, Ms. LOFGREN, Ms. BORDALLO, Mr. MCGOVERN, Mr. PETRI, Mr. ISAKSON, Mr. KIND, Mr. PRICE of North Carolina, Mrs. BIGGERT, Mr. HOLT, Mrs. MCCARTHY of New York, Mr. HINOJOSA, Mr. KILDEE, Mr. GRIJALVA, Ms. MILLENDER-MCDONALD, Mr. TIERNEY, Mr. TURNER of Ohio, and Ms. LEE

MARCH 23, 2004

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on March 2, 2004]

A BILL

To amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Child Nutrition Im-*
5 *provement and Integrity Act”.*

6 **SEC. 2. TABLE OF CONTENTS.**

7 *The table of contents of this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—ENSURING ACCESS TO CHILD NUTRITION PROGRAMS

Sec. 101. Exclusion of military housing allowances.

Sec. 102. Homeless children and runaway youth eligibility.

Sec. 103. Eligibility for severe need assistance.

Sec. 104. Reauthorization of summer food programs.

Sec. 105. Child and adult care food program.

Sec. 106. Review of best practices in the breakfast program.

Sec. 107. Area eligibility demonstration.

Sec. 108. Seamless Summer administration.

Sec. 109. Year round community child nutrition program pilot.

TITLE II—IMPROVING PROGRAM QUALITY AND INTEGRITY

Sec. 201. Eligibility and certification for free and reduced price lunches.

Sec. 202. Duration of eligibility for free and reduced price lunches.

Sec. 203. Certification by local educational agencies.

- Sec. 204. Compliance and accountability.*
Sec. 205. Technology Improvement.
Sec. 206. Minimum State administrative expense grants.
Sec. 207. District-wide eligibility for special assistance.
Sec. 208. Administrative error reduction.

***TITLE III—PROMOTING NUTRITION QUALITY AND PREVENTING
CHILDHOOD OBESITY***

- Sec. 301. Local school wellness policy.*
*Sec. 302. Supporting nutrition education, improving meal quality, and access to
local foods.*
Sec. 303. Fruits and vegetable commodities.
Sec. 304. Fluid milk.
Sec. 305. Waiver of requirements for weighted averages for nutrient analysis.
Sec. 306. Whole grains.

***TITLE IV—IMPROVING THE WOMEN, INFANTS, AND CHILDREN
PROGRAM***

- Sec. 401. Definition of nutrition education.*
Sec. 402. Definition of supplemental foods.
Sec. 403. Improving certification.
Sec. 404. Reviews of available supplemental foods.
Sec. 405. Notification of violations and infant formula benefits.
Sec. 406. Healthy People 2010 initiative.
Sec. 407. Competitive bidding.
Sec. 408. Fruit and vegetable projects.
Sec. 409. Price levels of retail stores.
Sec. 410. Management information systems.
Sec. 411. Infant formula fraud prevention.
Sec. 412. State alliances.
Sec. 413. Limits on expenditures.
Sec. 414. Migrant and community health centers initiative.
Sec. 415. Demonstration projects.
Sec. 416. Authorization of appropriations.

***TITLE V—REAUTHORIZATION, MISCELLANEOUS PROVISIONS, AND
EFFECTIVE DATE***

- Sec. 501. Training, technical, and other assistance.*
Sec. 502. Notice of irradiated food.
Sec. 503. Sense of Congress.
Sec. 504. Reauthorization of programs.
Sec. 505. Effective dates.

***1 TITLE I—ENSURING ACCESS TO
2 CHILD NUTRITION PROGRAMS***

3 SEC. 101. EXCLUSION OF MILITARY HOUSING ALLOWANCES.

*4 Section 9(b)(7) of the Richard B. Russell National
5 School Lunch Act (42 U.S.C. 1758(b)) is amended by strik-*

1 ing “For each of fiscal years 2002” and all that follows
 2 through “the amount” and inserting “The amount”.

3 **SEC. 102. HOMELESS CHILDREN, RUNAWAY YOUTH, AND MI-**
 4 **GRATORY CHILD ELIGIBILITY.**

5 (a) *IN GENERAL.*—Section 9(b)(6)(A) of the Richard
 6 B. Russell National School Lunch Act (42 U.S.C.
 7 1758(b)(6)(A)) is amended—

8 (1) in clause (ii), by striking “or”;

9 (2) in clause (iii), by striking the period and in-
 10 serting a semicolon; and

11 (3) by inserting after clause (iii) the following:

12 “(iv) a homeless child or youth (as defined in
 13 section 725(2) of the McKinney-Vento Homeless As-
 14 sistance Act (42 U.S.C. 11434a));

15 “(v) a youth served by programs under the Run-
 16 away and Homeless Youth Act (42 U.S.C. 5701 et
 17 seq.); or

18 “(vi) a migratory child, as such term is defined
 19 in section 1309(2) of the Elementary and Secondary
 20 Education Act of 1965 (20 U.S.C. 6399(2)).”.

21 (b) *DOCUMENTATION.*—Section 9(d)(2) of the Richard
 22 B. Russell National School Lunch Act (42 U.S.C.
 23 1758(d)(2)) is amended—

24 (1) in subparagraph (B), by striking “or”;

1 (2) *in subparagraph (C), by striking the period*
 2 *at the end and inserting a semicolon; and*

3 (3) *by inserting after subparagraph (C) the fol-*
 4 *lowing:*

5 “(D) *documentation has been provided to the ap-*
 6 *propriate local educational agency showing that the*
 7 *child meets the criteria specified in clauses (iv) or (v)*
 8 *of subsection (b)(6); or*

9 “(E) *documentation has been provided to the ap-*
 10 *propriate local educational agency showing the child’s*
 11 *status as a migratory child, as such term is defined*
 12 *in section 1309(2) of the Elementary and Secondary*
 13 *Education Act of 1965 (20 U.S.C. 6399(2)).”.*

14 **SEC. 103. ELIGIBILITY FOR SEVERE NEED ASSISTANCE.**

15 *Section 4(d) of the Child Nutrition Act of 1966 (42*
 16 *U.S.C. 1773(d)) is amended—*

17 (1) *by striking the heading and all that follows*
 18 *through paragraph (1), and inserting:*

19 “(d) *SEVERE NEED ASSISTANCE.—*

20 “(1) *IN GENERAL.—Each State educational*
 21 *agency shall provide additional assistance to schools*
 22 *in severe need, which shall include only those schools*
 23 *(having a breakfast program or desiring to initiate a*
 24 *breakfast program) in which, during the most recent*
 25 *second preceding school year for which lunches were*

1 served, 40 percent or more of the lunches served to
 2 students at the school were served free or at a reduced
 3 price (or those new schools drawing their attendance
 4 from schools receiving severe need assistance).”; and

5 (2) in paragraph (2)—

6 (A) by striking “100 percent” and all that
 7 follows through “food, or”; and

8 (B) by striking “, whichever is less”.

9 **SEC. 104. REAUTHORIZATION OF SUMMER FOOD PRO-**
 10 **GRAMS.**

11 (a) *SUMMER FOOD PILOT PROJECTS.*—Section 18(f)
 12 of the Richard B. Russell National School Lunch Act (42
 13 U.S.C. 1769(f)) is amended—

14 (1) by redesignating paragraphs (2) through (6)
 15 as paragraphs (3) through (7), respectively;

16 (2) by inserting after paragraph (1) the fol-
 17 lowing:

18 “(2) *ADDITIONAL STATES ELIGIBLE.*—In addi-
 19 tion to the States meeting the criteria set forth in
 20 paragraph (1), the 3 States with the highest percent-
 21 age of households that are determined to be food inse-
 22 cure with hunger, as determined annually by the Sec-
 23 retary, shall be ‘eligible States’ for purposes of this
 24 subsection.”;

1 (3) in paragraph (3) (as so redesignated), by
 2 striking “March 31, 2004” and inserting “September
 3 30, 2008”; and

4 (4) in paragraph (4) (as so redesignated), by
 5 striking “(other than a service institution described in
 6 section 13(a)(7))” both places it appears.

7 (b) *SUMMER FOOD SERVICE PROGRAM FOR CHIL-*
 8 *DREN.*—Section 13(q) of the Richard B. Russell National
 9 *School Lunch Act* (42 U.S.C. 1761(q)) is amended by strik-
 10 ing “March 31, 2004” and inserting “September 30, 2008”.

11 **SEC. 105. CHILD AND ADULT CARE FOOD PROGRAM.**

12 (a) *ELIGIBILITY OF PRIVATE CHILD CARE CEN-*
 13 *TERS.*—Section 17 of the Richard B. Russell National
 14 *School Lunch Act* (42 U.S.C. 1766) is amended—

15 (1) in subsection (a)(2)(B)(i), by striking “dur-
 16 ing the period” and all that follows through “March
 17 31, 2004”; and

18 (2) by striking subsection (p).

19 (b) *DURATION OF DETERMINATION AS TIER 1 FAMILY*
 20 *OR GROUP DAY CARE HOME.*—Section 17(f)(3)(E)(iii) of
 21 the Richard B. Russell National School Lunch Act (42
 22 U.S.C. 1766(f)(3)(E)(iii)) is amended by striking “3 years”
 23 and inserting “5 years”.

1 (c) *DURATION OF AGREEMENTS.*—Section 17(j) of the
 2 *Richard B. Russell National School Lunch Act* (42 U.S.C.
 3 1766(j)) is amended to read as follows:

4 “(j) *AGREEMENTS.*—

5 “(1) *IN GENERAL.*—The Secretary may issue reg-
 6 ulations directing States to develop and provide for
 7 the use of a standard form of agreement between each
 8 family or group day care sponsoring organization
 9 and the family or group day care homes partici-
 10 pating in the program under such organization, for
 11 the purpose of specifying the rights and responsibil-
 12 ities of each party.

13 “(2) *DURATION.*—An agreement under para-
 14 graph (1) shall remain in effect until terminated by
 15 either party to the agreement.”.

16 (d) *MANAGEMENT IMPROVEMENT INITIATIVE.*—Sec-
 17 tion 17(q)(3) of the *Richard B. Russell National School*
 18 *Lunch Act* (42 U.S.C. 1766(q)(3)) is amended by striking
 19 “1999 through 2003” and inserting “2005 and 2006”.

20 (e) *AUDITS.*—Section 17(i) of the *Richard B. Russell*
 21 *National School Lunch Act* (42 U.S.C. 1766(i)) is amended
 22 to read as follows:

23 “(i) *AUDITS.*—

24 “(1) *FUNDS FOR AUDITS.*—The Secretary shall
 25 make available for each fiscal year to a State admin-

1 *istering the child and adult care food program, for the*
 2 *purpose of conducting audits of participating institu-*
 3 *tions, an amount up to 1.5 percent (except in the case*
 4 *of fiscal years 2005 through 2007, 1 percent) of the*
 5 *funds used by the State in the program under this*
 6 *section during the second preceding fiscal year.*

7 “(2) *AUDIT PROCEDURES.—*

8 “(A) *IN GENERAL.—Subject to subpara-*
 9 *graph (B), in conducting management evalua-*
 10 *tions, reviews, or audits of the program under*
 11 *this subsection, the Secretary or a State agency*
 12 *may disregard any overpayment to an institu-*
 13 *tion if the total overpayment for any fiscal year*
 14 *does not exceed an amount, consistent with the*
 15 *disregards allowed in other programs under this*
 16 *Act, which recognizes the cost of collecting small*
 17 *claims.*

18 “(B) *CRIMINAL OR FRAUD VIOLATIONS.—In*
 19 *carrying out this subsection, the Secretary and a*
 20 *State agency shall not disregard any overpay-*
 21 *ment for which there is evidence of a violation*
 22 *of a criminal law or civil fraud law.”.*

23 (f) *EMERGENCY SHELTERS.—Section 17(t)(5)(A)(i) of*
 24 *the Richard B. Russell National School Lunch Act (42*
 25 *U.S.C. 1766(t)(5)(A)(i) is amended—*

1 (1) *in subclause (I)—*

2 (A) *by striking “12” and inserting “18”;*

3 *and*

4 (B) *by inserting “or” after the semicolon;*

5 *and*

6 (2) *by striking subclause (II) and redesignating*

7 *subclause (III) as subclause (II).*

8 (g) *PAPERWORK REDUCTION.—The Secretary of Agri-*
 9 *culture, in conjunction with States and participating insti-*
 10 *tutions, shall examine the feasibility of reducing paper work*
 11 *resulting from regulations and record-keeping requirements*
 12 *for State agencies, family child care homes, child care cen-*
 13 *ters, and sponsoring organizations participating in the*
 14 *child and adult care food program established under section*
 15 *17 of the Richard B. Russell National School Lunch Act*
 16 *(42 U.S.C. 1766).*

17 **SEC. 106. REVIEW OF BEST PRACTICES IN THE BREAKFAST**
 18 **PROGRAM.**

19 (a) *REVIEW.—Subject to the availability of funds, the*
 20 *Secretary of Agriculture shall enter into an agreement with*
 21 *a research organization to collect and disseminate a review*
 22 *of best practices to assist schools in addressing existing im-*
 23 *pediments at the State and local level that hinder the*
 24 *growth of the school breakfast program under section 4 of*
 25 *the Child Nutrition Act of 1966 (42 U.S.C. 1773). The re-*

1 *view shall describe model breakfast programs and offer rec-*
2 *ommendations for schools to overcome obstacles, such as:*

3 *(1) the length of the school day;*

4 *(2) bus schedules; and*

5 *(3) potential increases in costs at the State and*
6 *local level.*

7 *(b) DISSEMINATION.—Not later than 12 months after*
8 *the date of enactment of this Act, the Secretary shall make*
9 *the review required under subsection (a) available to local*
10 *educational agencies via the Internet, including rec-*
11 *ommendations to improve participation in the school break-*
12 *fast program. Not later than 12 months after the date of*
13 *enactment of this Act, the review shall also be transmitted*
14 *to the Committee on Education of the House of Representa-*
15 *tives and the Committee on Agriculture of the Senate.*

16 **SEC. 107. AREA ELIGIBILITY DEMONSTRATION.**

17 *Section 13 of the Richard B. Russell National School*
18 *Lunch Act (42 U.S.C. 1761) is amended by adding at the*
19 *end the following:*

20 *“(r) DEMONSTRATION PROGRAM.—The Secretary shall*
21 *support a demonstration program in rural areas of the*
22 *State of Pennsylvania under the same terms and conditions*
23 *as contained in this section, except that the threshold for*
24 *determining ‘areas in which poor economic conditions exist’*
25 *under subsection (a)(1)(C) for such program shall be 40 per-*

1 *cent of children enrolled are eligible for free or reduced price*
 2 *school meals and the State agency shall report to the Sec-*
 3 *retary on the effect of the demonstration on program par-*
 4 *ticipation in rural areas.”.*

5 **SEC. 108. SEAMLESS SUMMER ADMINISTRATION.**

6 *(a) SEAMLESS SUMMER WAIVER.—Section 13(a) of*
 7 *the Richard B. Russell National School Lunch Act (42*
 8 *U.S.C. 1761(a)) is amended by inserting after paragraph*
 9 *(7) the following:*

10 *“(8) Service institutions that are public or pri-*
 11 *vate nonprofit school food authorities may administer*
 12 *summer or school vacation food service under the pro-*
 13 *visions of the school lunch program established under*
 14 *this Act and the school breakfast program established*
 15 *under the Child Nutrition Act of 1966 (42 U.S.C.*
 16 *1771 et seq.), except as determined by the Secretary.”.*

17 *(b) PAYMENTS.—Section 13(b)(1) of the Richard B.*
 18 *Russell National School Lunch Act (42 U.S.C. 1761(b)(1))*
 19 *is amended by inserting after subparagraph (C) the fol-*
 20 *lowing:*

21 *“(D) Service institutions described in para-*
 22 *graph (a)(8) of this section shall be reimbursed*
 23 *for meals and meal supplements in accordance*
 24 *with the applicable provisions under this Act*
 25 *(other than subparagraphs (A), (B), and (C) of*

1 *this paragraph) and the Child Nutrition Act of*
 2 *1966 (42 U.S.C. 1771 et seq.), as determined by*
 3 *the Secretary.”.*

4 **SEC. 109. YEAR ROUND COMMUNITY CHILD NUTRITION**
 5 **PROGRAM PILOT.**

6 *Section 13(a) of the Richard B. Russell National*
 7 *School Lunch Act is further amended by adding at the end*
 8 *the following:*

9 “(9) *YEAR ROUND COMMUNITY CHILD NUTRITION*
 10 *PROGRAM PILOT.—*

11 “(A) *IN GENERAL.—A service institution as*
 12 *defined in paragraph (7) may be reimbursed for*
 13 *up to 3 meals and 2 supplements for any day*
 14 *for which services are being offered at such insti-*
 15 *tution. Such service institution shall be reim-*
 16 *bursed for costs consistent with section 13(b).*

17 “(B) *MAXIMUM REIMBURSEMENT.—No re-*
 18 *imbursement may be made to any institution*
 19 *under this paragraph for more than 3 meals and*
 20 *2 supplements per child per day.*

21 “(C) *LIMITATION.—The Secretary shall*
 22 *limit reimbursement under this paragraph for*
 23 *meals and supplements served under a program*
 24 *to service institutions defined paragraph (7) lo-*
 25 *cated in California.”.*

1 ***TITLE II—IMPROVING PROGRAM***
 2 ***QUALITY AND INTEGRITY***

3 ***SEC. 201. ELIGIBILITY AND CERTIFICATION FOR FREE AND***
 4 ***REDUCED PRICE LUNCHESES.***

5 *(a) IN GENERAL.—Section 9(b) of the Richard B. Rus-*
 6 *sell National School Lunch Act (42 U.S.C. 1758) is amend-*
 7 *ed by striking “(b)(1)(A) Not later” and all that follows*
 8 *through paragraph (2) and inserting the following:*

9 *“(b) ELIGIBILITY FOR FREE AND REDUCED PRICE*
 10 *LUNCHESES.—*

11 *“(1) INCOME GUIDELINES.—*

12 *“(A) IN GENERAL.—Not later than June 1*
 13 *of each fiscal year, the Secretary shall prescribe*
 14 *income guidelines for determining eligibility for*
 15 *free and reduced price lunches during the 12-*
 16 *month period beginning July 1 of such fiscal*
 17 *year and ending June 30 of the following fiscal*
 18 *year. The income guidelines for determining eli-*
 19 *gibility for free lunches shall be 130 percent of*
 20 *the applicable family size income levels con-*
 21 *tained in the nonfarm income poverty guidelines*
 22 *issued by the Secretary of Health and Human*
 23 *Services, as adjusted annually in accordance*
 24 *with subparagraph (B). The income guidelines*
 25 *for determining eligibility for reduced price*

1 *lunches for any school year shall be 185 percent*
 2 *of the applicable family size income levels con-*
 3 *tained in the nonfarm income poverty guidelines*
 4 *issued by the Secretary of Health and Human*
 5 *Services, as adjusted annually in accordance*
 6 *with subparagraph (B). Such guidelines shall be*
 7 *revised at annual intervals, or at any shorter in-*
 8 *terval deemed feasible and desirable.*

9 *“(B) FORMULA FOR REVISION.—The revi-*
 10 *sion required by subparagraph (A) of this para-*
 11 *graph shall be made by multiplying—*

12 *“(i) the official poverty line (as defined*
 13 *by the Secretary of Health and Human*
 14 *Services); by*

15 *“(ii) the percentage change in the Con-*
 16 *sumer Price Index during the annual or*
 17 *other interval immediately preceding the*
 18 *time at which the adjustment is made.*

19 *Revisions under this subparagraph shall be made*
 20 *not more than 30 days after the date on which*
 21 *the Consumer Price Index data required to com-*
 22 *pute the adjustment becomes available.*

23 *“(2) CERTIFICATION OF ELIGIBILITY.—*

24 *“(A) ANNOUNCEMENT BY STATE EDU-*
 25 *CATIONAL AGENCY.—Following the determina-*

tion by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family size, to be used by schools in the State in making determinations of eligibility for free and reduced price lunches. Local educational agencies shall, each year, publicly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

“(B) APPLICATIONS.—

“(i) *IN GENERAL.*—Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, in an understandable and uniform format, and to the extent practicable, in a language that parents can understand, shall be distributed at least annually to the parents or guardians of children in attendance at the school.

“(ii) *INCOME LEVELS.*—Applications and descriptive material shall contain only the family size income eligibility guidelines for reduced price meal eligibility, with the

1 *explanation that households with incomes*
2 *less than or equal to these values would be*
3 *eligible for free or reduced price lunches.*
4 *Such applications and descriptive material*
5 *may not contain the income eligibility*
6 *guidelines for free lunches.*

7 “(iii) NOTIFICATION.—*Descriptive ma-*
8 *terials shall contain a notification that par-*
9 *ticipants in the Special Supplemental Nu-*
10 *trition Program for Women, Infants, and*
11 *Children authorized under Section 17 of the*
12 *Child Nutrition Act of 1966 (42 U.S.C.*
13 *1771 et seq.), the food stamp program estab-*
14 *lished under the Food Stamp Act of 1977 (7*
15 *U.S.C. 2011 et seq.), the Food Distribution*
16 *Program on Indian Reservations (FDPIR)*
17 *authorized under section 4(b) of the Food*
18 *Stamp Act of 1977 (7 U.S.C. 2013(b)), or*
19 *a State program funded under part A of*
20 *title IV of the Social Security Act (if the*
21 *Secretary determines the State program*
22 *complies with standards established by the*
23 *Secretary that ensure that the standards*
24 *under the State program are comparable to*
25 *or more restrictive than those in effect on*

1 *June 1, 1995) are eligible for free or re-*
2 *duced price lunches. Such descriptive mate-*
3 *rials shall also contain a notice to parents*
4 *that documentation may be requested for*
5 *verification.*

6 “(iv) *ELECTRONIC AVAILABILITY.—In*
7 *addition to the distribution of such applica-*
8 *tions and descriptive material in paper*
9 *form as provided for in this paragraph,*
10 *such applications and material may be*
11 *made available electronically via the Inter-*
12 *net.*

13 “(C) *ELIGIBILITY.—*

14 “(i) *HOUSEHOLD APPLICATIONS.—*

15 “(I) *IN GENERAL.—If an eligi-*
16 *bility determination for a child is not*
17 *made under clause (ii) or (iii), an eli-*
18 *gibility determination shall be made*
19 *on the basis of a complete household*
20 *application executed by an adult mem-*
21 *ber of the household, or in accordance*
22 *with other guidance issued by the Sec-*
23 *retary.*

24 “(II) *ADDITIONAL BASES.—Eligi-*
25 *bility may be determined by the local*

1 *educational agency on the basis of a*
2 *complete application executed by an*
3 *adult member of the household, or in*
4 *accordance with other guidance issued*
5 *by the Secretary, including an elec-*
6 *tronic signature when the application*
7 *is submitted electronically, and if the*
8 *application filing system meets con-*
9 *fidentiality standards established by*
10 *the Secretary.*

11 *“(III) CHILDREN IN HOUSE-*
12 *HOLD.—*

13 *“(aa) IN GENERAL.—The ap-*
14 *plication shall identify the names*
15 *of each child in the household for*
16 *whom meal benefits are requested.*

17 *“(bb) SEPARATE APPLICA-*
18 *TIONS.—A State educational*
19 *agency or local educational agen-*
20 *cy may not request a separate ap-*
21 *plication for each child in the*
22 *household.*

23 *“(IV) VERIFICATION.—The Sec-*
24 *retary, State, or local educational*
25 *agency may verify any data contained*

1 *in such application. In accordance*
2 *with guidance issued by the Secretary,*
3 *each local educational agency shall*
4 *verify a sample of approved free and*
5 *reduced price applications and shall*
6 *make appropriate changes in the eligi-*
7 *bility determination with respect to*
8 *such applications on the basis of such*
9 *verification. The sample selected for*
10 *verification shall be as follows:*

11 *“(aa) For local educational*
12 *agencies able to obtain*
13 *verification information for at*
14 *least 75 percent of all applica-*
15 *tions selected for verification in*
16 *the prior year, or local edu-*
17 *cational agencies receiving more*
18 *than 20,000 applications and that*
19 *in the prior year had a*
20 *verification non-response rate that*
21 *was 10 percent below the*
22 *verification non-response rate of*
23 *the second prior year, the sample*
24 *selected shall be either—*

1 “(AA) the lesser of 3,000
2 or 3 percent of approved ap-
3 plications selected at random
4 by the local educational
5 agencies from all approved
6 applications; or

7 “(BB) the lesser of 1,000
8 or 1 percent of all approved
9 applications selected from
10 applications that indicate
11 monthly income that is with-
12 in \$100, or annual income
13 that is within \$1,200, of the
14 income eligibility limits for
15 free or reduced price meals,
16 plus the lesser of 500 or $\frac{1}{2}$ of
17 1 percent of approved appli-
18 cations that provided a case
19 number in lieu of income in-
20 formation showing participa-
21 tion in the food stamp pro-
22 gram or Temporary Assist-
23 ance for Needy Families pro-
24 gram selected from those ap-
25 proved applications that pro-

1 *vided a case number in lieu*
2 *of income information*
3 *verifying such participation.*

4 *“(bb) For all other local edu-*
5 *cational agencies, the sample se-*
6 *lected shall be the lesser of 3,000*
7 *or 3 percent of all approved ap-*
8 *plications selected from applica-*
9 *tions that indicate monthly in-*
10 *come that is within \$100, or an-*
11 *nuual income that is within*
12 *\$1,200, of the income eligibility*
13 *limits for free or reduced price*
14 *meals. If, for any local edu-*
15 *cational agency, the total number*
16 *of such applications is less than*
17 *3,000 or 3 percent of all approved*
18 *applications, the local educational*
19 *agency shall select additional ap-*
20 *plications at random from all ap-*
21 *proved applications in order to*
22 *obtain a total sample for*
23 *verification of 3,000 or 3 percent*
24 *of all approved applications.*

25 *“(V) SUBSTITUTIONS.—*

1 “(aa) *IN GENERAL.*—*In ac-*
2 *cordance with the regulations pre-*
3 *scribed by the Secretary, the local*
4 *educational agency may, upon in-*
5 *dividual review, decline to verify*
6 *any application selected under*
7 *subclause (IV) and replace it with*
8 *another application to be verified.*
9 *Such agency may decline to verify*
10 *no more than 2 percent of the ap-*
11 *plications selected for verification*
12 *under this subclause.*

13 “(bb) *SUBSTITUTE CRITERIA*
14 *IN CASES OF EMERGENCIES.*—*The*
15 *Secretary may substitute alter-*
16 *native criteria for the sample size*
17 *and sample selection criteria in*
18 *subclause (IV) to address a nat-*
19 *ural disaster, civil disorder,*
20 *strike, or other local condition.*

21 “(VI) *DIRECT VERIFICATION.*—

22 “(aa) *IN GENERAL.*—*In ac-*
23 *cordance with regulations promul-*
24 *gated by the Secretary, in*
25 *verifying the sample selected in*

1 *accordance with subclause (IV),*
2 *the local educational agency may*
3 *first obtain from certain public*
4 *agencies administering the pro-*
5 *grams identified in item (bb) of*
6 *this subclause, and similar in-*
7 *come-tested programs, information*
8 *to verify eligibility for free or re-*
9 *duced price meals.*

10 “(bb) PUBLIC AGENCY
11 *RECORDS.—Public agency records*
12 *that may be used to verify eligi-*
13 *bility for free meals shall include*
14 *income information relied upon*
15 *within 12 months prior to*
16 *verification under subclause (IV)*
17 *in the administration of the fol-*
18 *lowing programs: the food stamp*
19 *program established under the*
20 *Food Stamp Act of 1977 (7*
21 *U.S.C. 2011 et seq.); the State*
22 *program funded under part A of*
23 *title IV of the Social Security Act;*
24 *the Food Distribution Program on*
25 *Indian Reservations (FDPIR) au-*

1 *thorized under section 4(b) of the*
2 *Food Stamp Act of 1977 (7*
3 *U.S.C. 2013(b)); and the State*
4 *Medicaid program under title*
5 *XIX of the Social Security Act*
6 *(42 U.S.C. 1396 et seq.) in a*
7 *State in which the income eligi-*
8 *bility limit described in section*
9 *1902(l)(2)(C) of the Social Secu-*
10 *rity Act is no higher than 133*
11 *percent of the income official pov-*
12 *erty line as specified in section*
13 *1902(l)(2)(A) of such Act, in the*
14 *case of eligibility for free meals,*
15 *and 185 percent of the income of-*
16 *ficial poverty line as specified in*
17 *such section in the case of reduced*
18 *price meals.*

19 *“(VII) PLAIN, UNDERSTANDABLE*
20 *LANGUAGE.—Any and all communica-*
21 *tions to parents regarding verification*
22 *under subclause (IV) shall be in an un-*
23 *derstandable and uniform format, and,*
24 *to the extent practicable, in a language*
25 *that parents can understand.*

1 “(i) *DIRECT CERTIFICATION FOR*
2 *CHILDREN IN FOOD STAMP HOUSEHOLDS.—*

3 “(I) *IN GENERAL.—Each State*
4 *agency shall, to the extent practicable,*
5 *enter into an agreement with the State*
6 *agency conducting eligibility deter-*
7 *minations for the food stamp program*
8 *established under the Food Stamp Act*
9 *of 1977 (7 U.S.C. 2011 et seq.).*

10 “(II) *PROCEDURES.—Subject to*
11 *clause (iv), the agreement shall estab-*
12 *lish procedures under which a child*
13 *who is a member of a household receiv-*
14 *ing assistance under the program re-*
15 *ferred to in subclause (I) shall be cer-*
16 *tified as eligible for free meals under*
17 *this Act, without further application.*

18 “(III) *DIRECT CERTIFICATION.—*
19 *Subject to clause (iv), under the agree-*
20 *ment, the local educational agency con-*
21 *ducting eligibility determinations for a*
22 *school meal program conducted under*
23 *this Act shall certify a child who is a*
24 *member of a household receiving assist-*
25 *ance under the program referred to in*

1 subclause (I) as eligible for free meals
2 under this Act without further applica-
3 tion.

4 “(IV) NOTICE.—The appropriate
5 local educational agency shall provide
6 annually to the parents or guardians
7 of all students who are members of a
8 household receiving assistance under
9 the program referred to in subclause
10 (I), notification, in an understandable
11 and uniform format, and, to the extent
12 practicable, in a language that parents
13 can understand, that any school-aged
14 child in that household is eligible for
15 free lunches or breakfasts.

16 “(iii) DIRECT CERTIFICATION OF CHIL-
17 DREN IN OTHER HOUSEHOLDS.—Subject to
18 clause (iv), any local educational agency
19 may certify any child as eligible for free
20 lunches or breakfasts, without further appli-
21 cation, by directly communicating with the
22 appropriate State or local agency to obtain
23 documentation of such child’s status as a
24 migratory child, as such term is defined in
25 section 1309(2) of the Elementary and Sec-

1 *ondary Education Act of 1965 (20 U.S.C.*
2 *6399(2)), or a member of a family that is*
3 *receiving assistance under a State program*
4 *funded under part A of title IV of the Social*
5 *Security Act if the Secretary determines the*
6 *State program complies with standards es-*
7 *tablished by the Secretary that ensure that*
8 *the standards under the State program are*
9 *comparable to or more restrictive than those*
10 *in effect on June 1, 1995.*

11 “(iv) *DISCLOSURE OF INFORMATION.—*
12 *The use or disclosure of any information ob-*
13 *tained from an application for free or re-*
14 *duced price meals, or from a State or local*
15 *agency referred to in clauses (ii) and (iii),*
16 *shall be limited to—*

17 “(I) *a person directly connected*
18 *with the administration or enforcement*
19 *of this Act or the Child Nutrition Act*
20 *of 1966 (42 U.S.C. 1771 et seq.), or a*
21 *regulation issued pursuant to either*
22 *Act;*

23 “(II) *a person directly connected*
24 *with the administration or enforcement*
25 *of—*

1 “(aa) a Federal education
2 program;

3 “(bb) a State health or edu-
4 cation program administered by
5 the State or local educational
6 agency (other than a program
7 carried out under title XIX of the
8 Social Security Act (42 U.S.C.
9 1396 et seq.); or

10 “(cc) a Federal, State, or
11 local means-tested nutrition pro-
12 gram with eligibility standards
13 comparable to the program under
14 this section;

15 “(III)(aa) the Comptroller Gen-
16 eral of the United States for audit and
17 examination authorized by any other
18 provision of law; and

19 “(bb) notwithstanding any other
20 provision of law, a Federal, State, or
21 local law enforcement official for the
22 purpose of investigating an alleged vio-
23 lation of any program requirements
24 under paragraph (1) or this para-
25 graph; and

1 “(IV) a person directly connected
2 with the administration of the State
3 Medicaid program under title XIX of
4 the Social Security Act (42 U.S.C.
5 1396 et seq.) or the State children’s
6 health insurance program under title
7 XXI of that Act (42 U.S.C. 1397aa et
8 seq.) solely for the purpose of identi-
9 fying children eligible for benefits
10 under, and enrolling children in, such
11 programs, except that this subclause
12 shall apply only to the extent that the
13 State and the local educational agency
14 so elect.

15 “(v) *LIMITATION.*—Information pro-
16 vided under clause (iv)(II) shall be limited
17 to the income eligibility status of the child
18 for whom application for free or reduced
19 price meal benefits was made or for whom
20 eligibility information was provided under
21 clause (ii) or (iii), unless the consent of the
22 parent or guardian of the child for whom
23 application for benefits was made is ob-
24 tained.

1 “(vi) *PENALTY FOR UNAUTHORIZED*
2 *DISCLOSURE.*—A person described in clause
3 (iv) who publishes, divulges, discloses, or
4 makes known in any manner, or to any ex-
5 tent not authorized by Federal law (includ-
6 ing a regulation), any information obtained
7 under this subsection shall be fined not
8 more than \$1,000 or imprisoned not more
9 than 1 year, or both.

10 “(vii) *REQUIREMENTS FOR WAIVER OF*
11 *CONFIDENTIALITY.*—A State that elects to
12 exercise the option described in clause
13 (iv)(IV) shall ensure that any local edu-
14 cational agency acting in accordance with
15 that option—

16 “(I) has a written agreement with
17 the State or local agency or agencies
18 administering health insurance pro-
19 grams for children under titles XIX
20 and XXI of the Social Security Act (42
21 U.S.C. 1396 et seq. and 1397aa et seq.)
22 that requires the health agencies to use
23 the information obtained under clause
24 (iv) to seek to enroll children in those
25 health insurance programs; and

1 “(II)(aa) notifies each household,
2 the information of which shall be dis-
3 closed under clause (iv), that the infor-
4 mation disclosed will be used only to
5 enroll children in health programs re-
6 ferred to in clause (iv)(IV); and

7 “(bb) provides each parent or
8 guardian of a child in the household
9 with an opportunity to elect not to
10 have the information disclosed.

11 “(viii) *USE OF DISCLOSED INFORMA-*
12 *TION.*—A person to which information is
13 disclosed under clause (iv)(IV) shall use or
14 disclose the information only as necessary
15 for the purpose of enrolling children in
16 health programs referred to in clause
17 (iv)(IV).

18 “(D) *FREE AND REDUCED PRICE POLICY*
19 *STATEMENT.*—After the initial submission, a
20 local educational agency shall not be required to
21 submit a free and reduced price policy statement
22 to a State educational agency under this Act un-
23 less there is a substantive change in the free and
24 reduced price policy of the local educational
25 agency. A routine change in the policy of a local

1 *educational agency, such as an annual adjust-*
 2 *ment of the income eligibility guidelines for free*
 3 *and reduced price meals, shall not be sufficient*
 4 *cause for requiring the local educational agency*
 5 *to submit a policy statement.”.*

6 **(b) CONFORMING AMENDMENT.**—*Section 9(b)(6)(B) of*
 7 *the Richard B. Russell National School Lunch Act (42*
 8 *U.S.C. 1758(b)(6)(B) is amended by inserting “, or docu-*
 9 *mentation showing the child’s status as a migratory child,*
 10 *as such term is defined in section 1309(2) of the Elementary*
 11 *and Secondary Education Act of 1965 (20 U.S.C. 6399(2))”*
 12 *after “subparagraph (A)(iii)”.*

13 **SEC. 202. DURATION OF ELIGIBILITY FOR FREE AND RE-**
 14 **DUCED PRICE LUNCHES.**

15 *Section 9(b)(3) of the Richard B. Russell National*
 16 *School Lunch Act (42 U.S.C. 1758(b)(3)) is amended to*
 17 *read as follows:*

18 **“(3) ELIGIBILITY FOR FREE AND REDUCED**
 19 **PRICE LUNCHES.—**

20 **“(A) FREE LUNCHES.—***Any child who is a*
 21 *member of a household whose income, at the time*
 22 *the application is submitted, is at an annual*
 23 *rate which does not exceed the applicable family*
 24 *size income level of the income eligibility guide-*

lines for free lunches, as determined under paragraph (1), shall be served a free lunch.

“(B) *REDUCED PRICE LUNCHES.*—

“(i) *IN GENERAL.*—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family size income level of the income eligibility guidelines for reduced price lunches, as determined under paragraph (1), shall be served a reduced price lunch.

“(ii) *MAXIMUM PRICE.*—The price charged for a reduced price lunch shall not exceed 40 cents.

“(C) *DURATION.*—Except as otherwise specified in section 11(a) or section 9(b)(2)(C)(i)(IV), eligibility for free or reduced price meals for any school year shall remain in effect—

“(i) beginning on the date of eligibility approval for the current school year; and

1 “(ii) ending on the date of the begin-
 2 ning of school in the subsequent school year
 3 or as otherwise specified by the Secretary.”.

4 **SEC. 203. CERTIFICATION BY LOCAL EDUCATIONAL AGEN-**
 5 **CIES.**

6 (a) *CERTIFICATION BY LOCAL EDUCATIONAL AGEN-*
 7 *CY.—Section 9 of the Richard B. Russell National School*
 8 *Lunch Act (42 U.S.C. 1758) is further amended—*

9 (1) *in subsection (b)(5), by striking “Local school*
 10 *authorities” and inserting “Local educational agen-*
 11 *cies”; and*

12 (2) *in subsection (d)(2)—*

13 (A) *by striking “local school food authority”*
 14 *each place it appears and inserting “local edu-*
 15 *cational agency”; and*

16 (B) *in subparagraph (A), by striking “such*
 17 *authority” and inserting “the local educational*
 18 *agency”.*

19 (b) *DEFINITION OF LOCAL EDUCATIONAL AGENCY.—*
 20 *Section 12(d) of the Richard B. Russell National School*
 21 *Lunch Act (42 U.S.C. 1760(d)) is amended—*

22 (1) *by redesignating paragraphs (3) through (8)*
 23 *as paragraphs (4) through (9), respectively; and*

24 (2) *by inserting after paragraph (2) the fol-*
 25 *lowing:*

1 “(3) *LOCAL EDUCATIONAL AGENCY*.—

2 “(A) *IN GENERAL*.—*The term ‘local edu-*
 3 *cational agency’ has the meaning given the term*
 4 *in section 9101 of the Elementary and Sec-*
 5 *ondary Education Act of 1965 (20 U.S.C. 7801).*

6 “(B) *INCLUSION*.—*The term ‘local edu-*
 7 *cational agency’ includes, in the case of a pri-*
 8 *vate nonprofit school food authority, an appro-*
 9 *priate entity determined by the Secretary.”.*

10 (c) *SCHOOL BREAKFAST PROGRAM*.—*Section*
 11 *4(b)(1)(E) of the Child Nutrition Act of 1966 (42 U.S.C.*
 12 *1773(b)(1)(E)) is amended by striking “school food author-*
 13 *ity” each place it appears and inserting “local educational*
 14 *agency”.*

15 **SEC. 204. COMPLIANCE AND ACCOUNTABILITY.**

16 *Section 22 of the Richard B. Russell National School*
 17 *Lunch Act (42 U.S.C. 1769c) is amended by inserting “and*
 18 *local educational agencies” after “food service authorities”*
 19 *each place it appears.*

20 **SEC. 205. TECHNOLOGY IMPROVEMENT.**

21 (a) *PRIORITY FOR REALLOCATED FUNDS*.—*Section*
 22 *7(a)(5)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C.*
 23 *1776(a)(5)(B)(ii)) is amended by inserting the following*
 24 *new sentence at the end: “The Secretary shall give priority*
 25 *consideration to States that will use the funds for improve-*

1 *ments in technology and information management systems*
 2 *described in subsection (e)(2).”.*

3 (b) *CONFORMING AMENDMENT.*—Section 7(b) of the
 4 *Child Nutrition Act of 1966 (42 U.S.C. 1776(b)) is amended*
 5 *by striking “and for staff development” and inserting “for*
 6 *staff development; and technology and information manage-*
 7 *ment systems”.*

8 **SEC. 206. MINIMUM STATE ADMINISTRATIVE EXPENSE**
 9 **GRANTS.**

10 Section 7(a) of the *Child Nutrition Act (42 U.S.C.*
 11 *1776(a)(1)) is further amended—*

12 (1) *by striking the heading and all that follows*
 13 *through paragraph (1), and inserting the following:*

14 **“SEC. 7. STATE ADMINISTRATIVE EXPENSES.**

15 **“(a) AMOUNT AND ALLOCATION OF FUNDS.—**

16 **“(1) AMOUNT AVAILABLE.—**

17 **“(A) IN GENERAL.—***Except as provided in*
 18 *subparagraph (B), each fiscal year the Secretary*
 19 *shall make available to the States for their ad-*
 20 *ministrative costs an amount equal to not less*
 21 *than 1½ percent of the Federal funds expended*
 22 *under sections 4, 11, 17, and 17A of the Richard*
 23 *B. Russell National School Lunch Act (42 U.S.C.*
 24 *1753, 1759a, 1766, and 1766a)) and sections 3*

1 *and 4 of this Act during the second preceding*
 2 *fiscal year.*

3 “(B) *MINIMUM AMOUNT.*—*In the case of*
 4 *each of fiscal years 2005 through 2007, the Sec-*
 5 *retary shall make available to each State for*
 6 *their administrative costs not less than the ini-*
 7 *tial allocation made to the State under this sub-*
 8 *section for fiscal year 2004.*

9 “(C) *ALLOCATION.*—*The Secretary shall al-*
 10 *locate the funds so provided in accordance with*
 11 *paragraphs (2), (3), and (4) of this subsection.*

12 “(D) *AUTHORIZATION OF APPROPRIA-*
 13 *TIONS.*—*There is authorized to be appropriated*
 14 *such sums as may be necessary to carry out the*
 15 *purposes of this section.”; and*

16 *(2) in paragraph (2), by striking “\$100,000”*
 17 *and inserting “\$200,000”.*

18 **SEC. 207. DISTRICT-WIDE ELIGIBILITY FOR SPECIAL ASSIST-**
 19 **ANCE.**

20 *Section 11(a)(1) of the Richard B. Russell National*
 21 *School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—*

22 *(1) in subparagraph (C)—*

23 *(A) in clause (i)—*

24 *(i) by inserting “or school district”*
 25 *after “in the case of any school”;*

1 (ii) by inserting “or school district”
 2 after “in the school” both times it appears;

3 (iii) by inserting “or school district”
 4 after “in the case of a school”; and

5 (iv) by inserting “or school district”
 6 after “with respect to the school”;

7 (B) in clause (ii)—

8 (i) by inserting “or school district”
 9 after “served by a school”; and

10 (ii) by inserting “or school district”
 11 after “served by the school”; and

12 (C) in clause (iii) by inserting “or school
 13 district” after “a school”;

14 (2) in subparagraph (D)—

15 (A) in clause (i)—

16 (i) by inserting “or school district”
 17 after “any school”; and

18 (ii) by inserting “or school district”
 19 after “the school”;

20 (B) in clause (ii)—

21 (i) by inserting “or school district”
 22 after “A school”; and

23 (ii) by inserting “or school district”
 24 after “the school”;

25 (C) in clause (iii)—

- 1 (i) by inserting “or school district”
2 after “a school”; and
- 3 (ii) by inserting “or school district”
4 after “the school”; and
- 5 (D) in clause (iv) by inserting “or school
6 district” after “levels, a school”; and
- 7 (3) in subparagraph (E)—
- 8 (A) in clause (i)—
- 9 (i) by inserting “or school district”
10 after “In the case of any school”;
- 11 (ii) by inserting “or school district”
12 after “in the school” both times it appears;
- 13 (iii) by inserting “or school district”
14 after “in the case of a school”;
- 15 (iv) by inserting “or school district”
16 after “with respect to the school”;
- 17 (v) by inserting “or school district”
18 after “received by the school”; and
- 19 (vi) by inserting “or school district”
20 after “for which the school”; and
- 21 (B) in clause (ii)—
- 22 (i) by inserting “or school district”
23 after “A school”;

1 (ii) by inserting “or school district”
 2 after “for which the school” both times it
 3 appears; and
 4 (iii) by inserting “or school district”
 5 after “population of the school” both times
 6 it appears.

7 **SEC. 208. ADMINISTRATIVE ERROR REDUCTION.**

8 (a) *FEDERAL SUPPORT FOR TRAINING AND TECH-*
 9 *NICAL ASSISTANCE.*—Section 21 of the Richard B. Russell
 10 *National School Lunch Act (42 U.S.C. 1769b–1) is amend-*
 11 *ed—*

12 (1) by redesignating subsection (e) as subsection
 13 (g); and

14 (2) by inserting after subsection (d) the fol-
 15 lowing:

16 “(e) *ADMINISTRATIVE TRAINING AND TECHNICAL AS-*
 17 *SISTANCE MATERIALS.*—In collaboration with State edu-
 18 *cational agencies, school food authorities, and local edu-*
 19 *cational agencies of varying sizes, the Secretary shall de-*
 20 *velop and distribute training and technical assistance ma-*
 21 *terials relating to the administration of school meal pro-*
 22 *grams that are—*

23 “(1) prepared by the Secretary (based on re-
 24 search or other sources), a State educational agency,

1 *a school food authority, or a local educational agency;*
2 *and*

3 “(2) *representative of the best management and*
4 *administrative practices of State agencies, school food*
5 *authorities, and local educational agencies as deter-*
6 *mined by the Secretary.*

7 “(f) *FEDERAL ADMINISTRATIVE SUPPORT.—*

8 “(1) *FUNDING.—*

9 “(A) *IN GENERAL.—Out of any funds in the*
10 *Treasury not otherwise appropriated, the Sec-*
11 *retary of the Treasury shall transfer to the Sec-*
12 *retary of Agriculture to carry out this sub-*
13 *section—*

14 “(i) *on October 1, 2004 and October 1,*
15 *2005, \$3,000,000; and*

16 “(ii) *on October 1, 2006, and October*
17 *1, 2007, \$2,000,000.*

18 “(B) *RECEIPT AND ACCEPTANCE.—The Sec-*
19 *retary shall be entitled to receive, shall accept,*
20 *and shall use to carry out this subsection the*
21 *funds transferred under subparagraph (A), with-*
22 *out further appropriation.*

23 “(C) *AVAILABILITY OF FUNDS.—Funds*
24 *transferred under subparagraph (A) shall re-*
25 *main available until expended.*

1 “(2) *USE OF FUNDS.*—*The Secretary may use*
 2 *funds provided under this subsection—*

3 “(A) *to provide training and technical as-*
 4 *sistance related to administrative practices de-*
 5 *signed to improve program integrity and admin-*
 6 *istrative accuracy in school meals programs (in-*
 7 *cluding administrative requirements established*
 8 *by the Child Nutrition Improvement and Integ-*
 9 *rity Act and amendments made by that Act) to*
 10 *State educational agencies and, to the extent de-*
 11 *termined by the Secretary, to school food au-*
 12 *thorities and local educational agencies;*

13 “(B) *to assist State educational agencies in*
 14 *reviewing the administrative practices of school*
 15 *food authorities, to the extent determined by the*
 16 *Secretary; and*

17 “(C) *to carry out the activities described in*
 18 *subsection (e).”.*

19 (b) *SELECTED ADMINISTRATIVE REVIEWS.*—*Section*
 20 *22(b) of the Richard B. Russell National School Lunch Act*
 21 *(42 U.S.C. 1769c(b)) is amended by adding at the end the*
 22 *following:*

23 “(3) *ADDITIONAL REVIEW REQUIREMENT FOR*
 24 *SELECTED LOCAL EDUCATIONAL AGENCIES.—*

1 “(A) *DEFINITION OF SELECTED LOCAL EDU-*
 2 *CATIONAL AGENCY.*—*In this paragraph, the term*
 3 *‘selected local educational agency’ means a local*
 4 *educational agency that has demonstrated a high*
 5 *level of, or a high risk for, administrative error,*
 6 *as determined by the Secretary.*

7 “(B) *ADDITIONAL ADMINISTRATIVE RE-*
 8 *VIEW.*—*In addition to any review required by*
 9 *subsection (a) or paragraph (1), each State edu-*
 10 *cational agency shall conduct an administrative*
 11 *review of each selected local educational agency*
 12 *during the review cycle established under sub-*
 13 *section (a).*

14 “(C) *SCOPE OF REVIEW.*—*In carrying out a*
 15 *review under subparagraph (B), a State edu-*
 16 *cational agency shall only review the adminis-*
 17 *trative processes of a selected local educational*
 18 *agency, including application, certification,*
 19 *verification, meal counting, and meal claiming*
 20 *procedures.*

21 “(D) *RESULTS OF REVIEW.*—*If the State*
 22 *educational agency determines (on the basis of a*
 23 *review conducted under subparagraph (B)) that*
 24 *a selected local educational agency fails to meet*

performance criteria established by the Secretary, the State educational agency shall—

“(i) require the selected local educational agency to develop and carry out an approved plan of corrective action;

“(ii) except to the extent technical assistance is provided directly by the Secretary, provide technical assistance to assist the selected local educational agency in carrying out the corrective action plan; and

“(iii) conduct a follow-up review of the selected local educational agency under standards established by the Secretary.

“(4) *RECOVERING FUNDS AFTER ADMINISTRATIVE REVIEWS.*—

“(A) *IN GENERAL.*—Subject to subparagraphs (B) and (C), if the local educational agency fails to meet administrative performance criteria established by the Secretary in both an initial review and a follow-up review under paragraph (1) or (3) or subsection (a), the Secretary may require the State educational agency to recover funds from the local educational agency that would otherwise be paid to the school food authority or local educational agency for

1 *school meals programs under procedures pre-*
 2 *scribed by the Secretary.*

3 *“(B) AMOUNT.—The amount of funds recov-*
 4 *ered under subparagraph (A) shall equal the*
 5 *value of any overpayments made to the school*
 6 *food authority or local educational agency as a*
 7 *result of an erroneous claim during the time pe-*
 8 *riod described in subparagraph (C).*

9 *“(C) TIME PERIOD.—The period for deter-*
 10 *mining the value of any such overpayments*
 11 *under subparagraph (B) shall be the period—*

12 *“(i) beginning on the date the erro-*
 13 *neous claim was made; and*

14 *“(ii) ending on the earlier of the date*
 15 *the erroneous claim is corrected or—*

16 *“(I) in the case of the first review*
 17 *conducted by the State educational*
 18 *agency of the local educational agency*
 19 *under this section after July 1, 2005,*
 20 *the date that is 60 days after the be-*
 21 *ginning of the period under clause (i);*
 22 *or*

23 *“(II) in the case of any subse-*
 24 *quent review conducted by the State*
 25 *educational agency of the local edu-*

1 *cational agency under this section, the*
2 *date that is 90 days after the begin-*
3 *ning of the period under clause (i).*

4 “(5) *USE OF RECOVERED FUNDS.—*

5 “(A) *IN GENERAL.—Subject to subpara-*
6 *graph (B), funds recovered under paragraph (4)*
7 *shall—*

8 “(i) *be returned to the Secretary under*
9 *procedures established by the Secretary, and*
10 *may be used—*

11 “(I) *to provide training and tech-*
12 *nical assistance related to administra-*
13 *tive practices designed to improve pro-*
14 *gram integrity and administrative ac-*
15 *curacy in school meals programs (in-*
16 *cluding administrative requirements*
17 *established by the Child Nutrition Im-*
18 *provement and Integrity Act and*
19 *amendments made by that Act) to*
20 *State educational agencies and, to the*
21 *extent determined by the Secretary, to*
22 *school food authorities and local edu-*
23 *cational agencies;*

24 “(II) *to assist State educational*
25 *agencies in reviewing the administra-*

1 *tive practices of school food authorities,*
2 *to the extent determined by the Sec-*
3 *retary; and*

4 *“(III) to carry out section 21(e);*
5 *or*

6 *“(ii) be credited to the child nutrition*
7 *programs appropriation account.*

8 *“(B) STATE SHARE.—Subject to subpara-*
9 *graph (C), a State educational agency may re-*
10 *tain not more than 25 percent of an amount re-*
11 *covered under paragraph (4), to carry out school*
12 *meals program integrity initiatives to assist*
13 *school food authorities and local educational*
14 *agencies that have repeatedly failed (as deter-*
15 *mined by the Secretary) to meet administrative*
16 *performance criteria.*

17 *“(C) REQUIREMENT.—To be eligible to re-*
18 *tain funds under subparagraph (B), a State edu-*
19 *cational agency shall—*

20 *“(i) submit to the Secretary a plan de-*
21 *scribing how the State educational agency*
22 *will use the funds to improve school meals*
23 *program integrity, including measures to*
24 *give priority to school food authorities and*

1 *local educational agencies from which funds*
 2 *were retained under paragraph (4); and*
 3 *“(ii) obtain the approval of the Sec-*
 4 *retary for the plan.”.*

5 *(c) TRAINING AND TECHNICAL ASSISTANCE.—Section*
 6 *7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is*
 7 *amended—*

8 *(1) in subsection (e)—*

9 *(A) by striking “(e) Each” and inserting*
 10 *the following:*

11 *“(e) PLANS FOR USE OF ADMINISTRATIVE EXPENSE*
 12 *FUNDS.—*

13 *“(1) IN GENERAL.—Each”; and*

14 *(B) by striking “After submitting” and all*
 15 *that follows through “change in the plan.”, and*
 16 *inserting the following:*

17 *“(2) UPDATES AND INFORMATION MANAGEMENT*
 18 *SYSTEMS.—After submitting the initial plan, a State*
 19 *shall be required to submit to the Secretary for ap-*
 20 *proval only a substantive change in the plan. Each*
 21 *State plan shall at a minimum include a description*
 22 *of how technology and information management sys-*
 23 *tems will be used to improve program integrity by—*

24 *“(A) monitoring the nutrient content of*
 25 *meals served;*

“(B) training schools and school food authorities how to utilize technology and information management systems for activities such as menu planning, collecting point of sale data, processing applications for free and reduced price meals and verifying eligibility for free and reduced price meals using existing databases to access program participation or income data collected by State or local educational agencies; and

“(C) using electronic data to establish benchmarks to compare and monitor program integrity, program participation, and financial data across schools and school food authorities.

“(3) TRAINING AND TECHNICAL ASSISTANCE.—

Each State shall submit to the Secretary for approval a plan describing the manner in which the State intends to implement subsection (g) and section 22(b)(3) of the Richard B. Russell National School Lunch Act (as added by section 208 of the Child Nutrition Improvement and Integrity Act).”;

(2) by redesignating subsection (g) as subsection (i); and

(3) by inserting after subsection (f) the following:

“(g) STATE TRAINING.—

1 “(1) *IN GENERAL.*—At least annually, each State
2 shall provide training in administrative practices
3 (including training in application, certification,
4 verification, meal counting, and meal claiming proce-
5 dures) to school food authority administrative per-
6 sonnel and other appropriate personnel, with empha-
7 sis on the requirements established by the Child Nu-
8 trition Improvement and Integrity Act and the
9 amendments made by that Act.

10 “(2) *FEDERAL ROLE.*—The Secretary shall—

11 “(A) provide training and technical assist-
12 ance (including training materials and informa-
13 tion developed under subsections (e) and (f) of
14 section 21 of the Richard B. Russell National
15 School Lunch Act (42 U.S.C. 1769b–1)) to a
16 State to assist the State in carrying out para-
17 graph (1); or

18 “(B) at the option of the Secretary, directly
19 provide training and technical assistance de-
20 scribed in paragraph (1).

21 “(3) *THIRD-PARTY CONTRACTING.*—In carrying
22 out this subsection, the Secretary or a State may con-
23 tract with a third party under procedures established
24 by the Secretary.

1 “(4) *REQUIRED PARTICIPATION.*—Under proce-
 2 *dures established by the Secretary that consider the*
 3 *various needs and circumstances of school food au-*
 4 *thorities, each school food authority or local edu-*
 5 *cational agency shall ensure that an individual con-*
 6 *ducting or overseeing administrative procedures de-*
 7 *scribed in paragraph (1) receives training at least*
 8 *annually, unless determined otherwise by the Sec-*
 9 *retary.*

10 “(h) *FUNDING FOR TRAINING AND ADMINISTRATIVE*
 11 *REVIEWS.*—

12 “(1) *FUNDING.*—

13 “(A) *IN GENERAL.*—On October 1, 2004,
 14 *and on each October 1 thereafter, out of any*
 15 *funds in the Treasury not otherwise appro-*
 16 *priated, the Secretary of the Treasury shall*
 17 *transfer to the Secretary of Agriculture to carry*
 18 *out this subsection \$4,000,000, to remain avail-*
 19 *able until expended.*

20 “(B) *RECEIPT AND ACCEPTANCE.*—The Sec-
 21 *retary shall be entitled to receive, shall accept,*
 22 *and shall use to carry out this subsection the*
 23 *funds transferred under subparagraph (A), with-*
 24 *out further appropriation.*

25 “(2) *USE OF FUNDS.*—

1 “(A) *IN GENERAL.*—*Except as provided in*
 2 *subparagraph (B), the Secretary shall use funds*
 3 *provided under this subsection to assist States in*
 4 *carrying out subsection (g) and administrative*
 5 *reviews of selected school food authorities and*
 6 *local educational agencies under section 22(b)(3)*
 7 *of the Richard B. Russell National School Lunch*
 8 *Act (42 U.S.C. 1769c(b)(3)).*

9 “(B) *EXCEPTION.*—*The Secretary may re-*
 10 *tain a portion of the amount provided to cover*
 11 *costs of activities carried out by the Secretary in*
 12 *lieu of the State.*

13 “(3) *ALLOCATION.*—*The Secretary shall allocate*
 14 *funds provided in this subsection to States based on*
 15 *the number of local educational agencies that have*
 16 *demonstrated a high level of or a high risk for admin-*
 17 *istrative error, as determined by the Secretary, taking*
 18 *into account the requirements established by the Child*
 19 *Nutrition Improvement and Integrity Act and the*
 20 *amendments made by that Act.*

21 “(4) *REALLOCATION.*—*The Secretary may reallo-*
 22 *cate, to carry out this section, any amounts made*
 23 *available to carry out this subsection that are not ob-*
 24 *ligated or expended, as determined by the Secretary.”.*

1 **TITLE III—PROMOTING NUTRI-**
 2 **TION QUALITY AND PRE-**
 3 **VENTING CHILDHOOD OBE-**
 4 **SITY**

5 **SEC. 301. LOCAL SCHOOL WELLNESS POLICY.**

6 *Not later than the first day of the school year begin-*
 7 *ning after June 30, 2006, local educational agencies par-*
 8 *ticipating in the programs authorized by the Richard B.*
 9 *Russell National School Lunch Act (42 U.S.C. 1751 et seq.)*
 10 *and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et*
 11 *seq.) shall establish a local school wellness policy for such*
 12 *local agency that at a minimum—*

13 *(1) includes goals for nutrition education, phys-*
 14 *ical activity and other school-based activities designed*
 15 *to promote student wellness that the local educational*
 16 *agency determines are appropriate;*

17 *(2) includes nutrition guidelines selected by the*
 18 *local educational agencies for all foods available on*
 19 *school campus during the school day with the objec-*
 20 *tive of promoting student health and reducing child-*
 21 *hood obesity;*

22 *(3) provides an assurance that guidelines for re-*
 23 *imbursable school meals shall not be less restrictive*
 24 *than regulations and guidance issued by the Sec-*
 25 *retary pursuant to section 10(a) and (b) of the Child*

1 *Nutrition Act (42 U.S.C. 1779(a) and (b)) and sec-*
 2 *tion 9(f)(1) and section 17(a) of the Richard B. Rus-*
 3 *sell National School Lunch Act (42 U.S.C. 1758(f)(1)*
 4 *and 1766(a)), as those regulations and guidance*
 5 *apply to schools;*

6 *(4) establishes a plan for ensuring implementa-*
 7 *tion of the local wellness policy, including designation*
 8 *of a person or persons within the local educational*
 9 *agency, or at each school as appropriate, charged*
 10 *with operational responsibility for ensuring that such*
 11 *school meets the local wellness policy; and*

12 *(5) involves parents, students, representatives of*
 13 *the school food authority, the school board, school ad-*
 14 *ministrators, and public in the development of the*
 15 *school wellness policy.*

16 **SEC. 302. SUPPORTING NUTRITION EDUCATION, IMPROV-**
 17 **ING MEAL QUALITY, AND ACCESS TO LOCAL**
 18 **FOODS.**

19 *Section 19 of the Child Nutrition Act of 1966 (42*
 20 *U.S.C. 1788) is amended—*

21 *(1) by amending subsection (b) to read as fol-*
 22 *lows:*

23 *“(b) PURPOSE.—It is the purpose of this section to*
 24 *support effective nutrition education through assistance to*
 25 *State agencies, schools, and nonprofit entities for Team Nu-*

1 *trition and other nutrition education projects that improve*
 2 *student understanding of healthful eating patterns, includ-*
 3 *ing an awareness and understanding of the Dietary Guide-*
 4 *lines for Americans, the quality of school meals and access*
 5 *to local foods in schools and institutions operating pro-*
 6 *grams under the Richard B. Russell National School Lunch*
 7 *Act (42 U.S.C. 1751 et seq.) and section 4 of this Act.”;*

8 *(2) by striking subsections (c) through (h) and*
 9 *inserting after subsection (b) the following:*

10 *“(c) TEAM NUTRITION NETWORK.—*

11 *“(1) PURPOSE.—The purpose of the Team Nutri-*
 12 *tion Network is to—*

13 *“(A) promote the nutritional health of the*
 14 *Nation’s school children through nutrition edu-*
 15 *cation, physical activity and other activities that*
 16 *support healthy lifestyles for children based on*
 17 *the Dietary Guidelines for Americans, issued*
 18 *jointly by the Secretary of Agriculture and the*
 19 *Secretary of Health and Human Services, and*
 20 *the physical fitness guidelines issued by the Sec-*
 21 *retary of Health and Human Services;*

22 *“(B) provide assistance to States for the de-*
 23 *velopment of State-wide, comprehensive, and in-*
 24 *tegrated nutrition education and physical fitness*
 25 *programs; and*

1 “(C) *provide training and technical assist-*
2 *ance to States, school and community nutrition*
3 *programs, and child nutrition food service pro-*
4 *essionals.*

5 “(2) *STATE COORDINATOR.—The State Team*
6 *Nutrition Network Coordinator shall—*

7 “(A) *administer and coordinate a com-*
8 *prehensive integrated statewide nutrition edu-*
9 *cation program; and*

10 “(B) *coordinate efforts with the Food and*
11 *Nutrition Service and State agencies responsible*
12 *for children’s health programs.*

13 “(3) *TEAM NUTRITION NETWORK.—Subject to the*
14 *availability or appropriations to carry out this sub-*
15 *section, the Secretary, in consultation with the Sec-*
16 *retary of Education, shall, on a competitive basis,*
17 *provide assistance to States for the purpose of cre-*
18 *ating model nutrition education and physical activity*
19 *programs, consistent with current dietary and fitness*
20 *guidelines, for students in elementary schools and sec-*
21 *ondary schools.*

22 “(4) *REQUIREMENTS FOR STATE PARTICIPA-*
23 *TION.—To be eligible to receive assistance under this*
24 *subsection, a State Coordinator shall submit an ap-*
25 *plication to the Secretary at such time, and in such*

1 manner, and containing such information as the Sec-
2 retary may require, including—

3 “(A) a description of how the proposed nu-
4 trition and physical activity program will pro-
5 mote healthy eating and physical activity and
6 fitness and address the health and social con-
7 sequences of children who are at risk of becoming
8 overweight or obese;

9 “(B) information describing how nutrition
10 activities are to be coordinated at the State level
11 with other health activities conducted by edu-
12 cation, health and agriculture agencies;

13 “(C) information describing how initiatives
14 to promote physical activity are to be coordi-
15 nated at the State level with other initiatives to
16 promote physical activity conducted by edu-
17 cation, health, and parks and recreation agen-
18 cies;

19 “(D) a description of the consultative proc-
20 ess that the State Coordinator employed in the
21 development of the model nutrition and physical
22 activity programs, including consultations with
23 individuals and organizations with expertise in
24 promoting public health, nutrition, or physical
25 activity, and organizations representing the ag-

1 *riculture, food and beverage, fitness, and sports*
2 *and recreation industries;*

3 *“(E) a description of how the State Coordi-*
4 *nator will evaluate the effectiveness of its pro-*
5 *gram; and*

6 *“(F) a description of how any and all com-*
7 *munications to parents and guardians of all stu-*
8 *dents who are members of a household receiving*
9 *or applying for assistance under the program*
10 *shall be in an understandable and uniform for-*
11 *mat, and, to the extent practicable, in a lan-*
12 *guage that parents can understand.*

13 *“(5) DURATION.—Subject to the availability of*
14 *funds made available to carry out this subsection, a*
15 *State Coordinator shall conduct the project for a pe-*
16 *riod of 3 successive school years.*

17 *“(6) AUTHORIZED ACTIVITIES.—An eligible ap-*
18 *plicant that receives assistance under this subsection*
19 *may use funds to carry out one or more of the fol-*
20 *lowing activities—*

21 *“(A) collecting, analyzing, and dissemi-*
22 *nating data regarding the extent to which chil-*
23 *dren and youth in the State are overweight or*
24 *physically inactive and the programs and serv-*
25 *ices available to meet those needs;*

1 “(B) developing and implementing model
2 elementary and secondary education curricula to
3 create a comprehensive, coordinated nutrition
4 and physical fitness awareness and obesity pre-
5 vention program;

6 “(C) developing and implementing pilot
7 programs in schools to increase physical activity
8 and to enhance the nutritional status of students,
9 including through the increased consumption of
10 fruits and vegetables, whole grains, and lowfat
11 dairy products;

12 “(D) developing and implementing State
13 guidelines in health, which include nutrition
14 education, and physical education and empha-
15 size regular physical activity during school
16 hours;

17 “(E) collaborating with community based
18 organizations, volunteer organizations, State
19 medical associations, and public health groups to
20 develop and implement nutrition and physical
21 education programs targeting lower income chil-
22 dren, ethnic minorities, and youth at a greater
23 risk for obesity;

24 “(F) collaborating with public or private
25 organizations that have as a mission the raising

1 *of public awareness of the importance of a bal-*
2 *anced diet and an active lifestyle; and*

3 *“(G) providing training and technical as-*
4 *sistance to teachers and school food service pro-*
5 *essionals consistent with the purpose of this sec-*
6 *tion.*

7 *“(7) LIMITATION.—Materials prepared under*
8 *this subsection regarding agricultural commodities,*
9 *food, or beverages must be factual and without bias.*

10 *“(8) REPORT.—Within 18 months of completion*
11 *of the projects and the evaluations, the Secretary shall*
12 *submit to the Committee on Education and the Work-*
13 *force of the House of Representatives and the Com-*
14 *mittee on Health, Education, Labor, and Pensions of*
15 *the Senate and the Committee on Agriculture, Nutri-*
16 *tion and Forestry of the Senate a report describing*
17 *the results of the evaluation of the demonstration pro-*
18 *grams and shall make such reports available to the*
19 *public, including through the Internet.*

20 *“(9) INDEPENDENT EVALUATION.—*

21 *“(A) IN GENERAL.—The Secretary shall*
22 *enter into an agreement with an independent,*
23 *non-partisan science-based research organization*
24 *to conduct a comprehensive independent evalua-*
25 *tion of the effectiveness of the Team Nutrition*

1 *initiative and the Team Nutrition Network au-*
2 *thorized by this subsection and to identify best*
3 *practices in—*

4 *“(i) improving student understanding*
5 *of healthful eating patterns;*

6 *“(ii) engaging students in regular*
7 *physical activity and improving physical*
8 *fitness;*

9 *“(iii) reducing diabetes and obesity*
10 *rates in school children;*

11 *“(iv) improving student nutrition be-*
12 *haviors on the school campus including*
13 *healthier meal choices evidenced by greater*
14 *inclusion of fruits, vegetables, whole grains,*
15 *and lean dairy and protein in meal and*
16 *snack selections;*

17 *“(v) providing training and technical*
18 *assistance for food service professionals re-*
19 *sulting in the availability of healthy meals*
20 *that appeal to ethnic and cultural taste*
21 *preferences;*

22 *“(vi) linking meals programs to nutri-*
23 *tion education activities; and*

24 *“(vii) successfully involving school ad-*
25 *ministrators, the private sector, public*

1 *health agencies, non-profit organizations,*
2 *and other community partners.*

3 “(B) *REPORT.*—*Not later than October 1,*
4 *2007, the Secretary shall transmit the findings of*
5 *the independent evaluation to the Committee on*
6 *Education and the Workforce of the House of*
7 *Representatives, the Committee on Health, Edu-*
8 *cation, Labor, and Pensions and the Committee*
9 *on Agriculture, Nutrition, and Forestry of the*
10 *Senate.*

11 “(d) *LOCAL NUTRITION AND PHYSICAL ACTIVITY*
12 *PROJECT.*—

13 “(1) *IN GENERAL.*—*Subject to the availability of*
14 *appropriations to carry out this subsection, the Sec-*
15 *retary, in consultation with the Secretary of Edu-*
16 *cation, shall provide assistance to not more than 100*
17 *local educational agencies, at least one per State, for*
18 *the establishment of pilot projects for purposes of pro-*
19 *moting healthy eating habits and increasing physical*
20 *activity, consistent with the Dietary Guidelines for*
21 *Americans issued jointly by the Secretary of Agri-*
22 *culture and the Secretary of Health and Human*
23 *Services, among elementary and secondary education*
24 *students.*

1 “(2) *REQUIREMENT FOR PARTICIPATION IN*
2 *PILOT PROJECT.—To be eligible to receive assistance*
3 *under this subsection, a local educational agency*
4 *shall, in consultation with individuals who possess*
5 *education or experience appropriate for representing*
6 *the general field of public health, including nutrition*
7 *and fitness professionals, submit to the Secretary an*
8 *application that shall include—*

9 “(A) *a description of the local educational*
10 *agency’s need for nutrition and physical activity*
11 *programs;*

12 “(B) *a description of how the proposed*
13 *project will improve health and nutrition*
14 *through education and increased access to phys-*
15 *ical activity;*

16 “(C) *a description of how funds under this*
17 *subsection will be coordinated with other pro-*
18 *grams under this Act, the Richard B. Russell*
19 *National School Lunch Act, or other Acts, as ap-*
20 *propriate, to improve student health and nutri-*
21 *tion;*

22 “(D) *a statement of the local educational*
23 *agency’s measurable goals for nutrition and*
24 *physical education programs and promotion;*

1 “(E) a description of how the proposed
2 project will be aligned with the local wellness
3 policy required under the Act;

4 “(F) a description of the procedures the
5 agency will use for assessing and publicly report-
6 ing progress toward meeting those goals; and

7 “(G) a description of how communications
8 to parents and guardians of participating stu-
9 dents regarding the activities under this sub-
10 section shall be in an understandable and uni-
11 form format, and, to the extent practicable, in a
12 language that parents can understand.

13 “(3) *DURATION*.—Subject to the availability of
14 funds made available to carry out this subsection, a
15 local educational agency receiving assistance under
16 this subsection shall conduct the project during a pe-
17 riod of 3 successive school years.

18 “(4) *AUTHORIZED ACTIVITIES*.—An eligible ap-
19 plicant that receives assistance under this sub-
20 section—

21 “(A) shall use funds provided to—

22 “(i) promote healthy eating through
23 the development and implementation of nu-
24 trition education programs and curricula

1 *based on the Dietary Guidelines for Ameri-*
2 *cans; and*

3 “(ii) *increase opportunities for phys-*
4 *ical activity through after school programs,*
5 *athletics, intramural activities, and recess;*
6 *and*

7 “(B) *may use funds provided to—*

8 “(i) *educate parents and students*
9 *about the relationship of a poor diet and in-*
10 *activity to obesity and other health prob-*
11 *lems;*

12 “(ii) *develop and implement physical*
13 *education programs that promote fitness*
14 *and lifelong activity;*

15 “(iii) *provide training and technical*
16 *assistance to food service professionals to de-*
17 *velop nutritious, more appealing menus and*
18 *recipes;*

19 “(iv) *incorporate nutrition education*
20 *into physical education, health education,*
21 *and after school programs, including ath-*
22 *letics;*

23 “(v) *involve parents, nutrition profes-*
24 *sionals, food service staff, educators, com-*
25 *munity leaders, and other interested parties*

1 *in assessing the food options in the school*
2 *environment and developing and imple-*
3 *menting an action plan to promote a bal-*
4 *anced and healthy diet;*

5 “(vi) *provide nutrient content or nu-*
6 *trition information on meals served through*
7 *the school lunch or school breakfast pro-*
8 *grams and items sold a la carte during*
9 *meal times;*

10 “(vii) *encourage the increased con-*
11 *sumption of a variety of healthy foods*
12 *through new initiatives such as salad bars*
13 *and fruit bars; and*

14 “(viii) *provide nutrition education, in-*
15 *cluding sports nutrition education, for*
16 *teachers, coaches, food service staff, athletic*
17 *trainers, and school nurses.*

18 “(5) *LIMITATION.—Materials prepared under*
19 *this subsection regarding agricultural commodities,*
20 *food, or beverages must be factual and without bias.*

21 “(6) *REPORT.—Within 18 months of completion*
22 *of the projects and evaluations, the Secretary shall*
23 *transmit to the Committee on Education and the*
24 *Workforce of the House of Representatives and the*
25 *Committee on Health, Education, Labor, and Pen-*

1 *sions and the Committee on Agriculture, Nutrition*
 2 *and Forestry of the Senate a report describing the re-*
 3 *sults of the evaluation of the pilot projects and shall*
 4 *make such reports available to the public, including*
 5 *through the Internet.*

6 “(e) *NUTRITION EDUCATION SUPPORT.*—

7 “(1) *IN GENERAL.*—*In carrying out the purpose*
 8 *of this section to support nutrition education, the Sec-*
 9 *retary may provide for technical assistance and*
 10 *grants to improve the quality of school meals and ac-*
 11 *cess to local foods in schools and institutions.*

12 “(2) *SCHOOL MEALS INITIATIVE.*—*The Secretary*
 13 *may provide assistance to enable State educational*
 14 *agencies to—*

15 “(A) *implement the recommendations of the*
 16 *Secretary’s School Meals Initiative for Healthy*
 17 *Children;*

18 “(B) *increase the consumption of fruits,*
 19 *vegetables, low-fat dairy products, and whole*
 20 *grains;*

21 “(C) *reduce saturated fat and sodium in*
 22 *school meals;*

23 “(D) *improve school nutritional environ-*
 24 *ments; and*

1 “(E) conduct other activities that aid
2 schools in carrying out the Secretary’s School
3 Meals Initiative for Healthy Children.

4 “(3) ACCESS TO LOCAL FOODS.—The Secretary
5 may provide assistance, through competitive matching
6 grants and technical assistance, to schools and non-
7 profit entities for projects that—

8 “(A) improve access to local foods in schools
9 and institutions participating in programs
10 under the Richard B. Russell National School
11 Lunch Act (42 U.S.C. 1751 et seq.) and Section
12 4 of this Act through farm-to-cafeteria activities
13 that may include the acquisition of food and ap-
14 propriate equipment and the provision of train-
15 ing and education;

16 “(B) are, at a minimum, designed to pro-
17 cure local foods from small- and medium-sized
18 farms for school meals;

19 “(C) support nutrition education activities
20 or curriculum planning that incorporates the
21 participation of schoolchildren in farm and agri-
22 culture education activities;

23 “(D) develop a sustained commitment to
24 farm-to-cafeteria projects in the community by

1 *linking schools, agricultural producers, parents,*
 2 *and other community stakeholders;*

3 “(E) require \$100,000 or less in Federal
 4 contributions;

5 “(F) require a Federal share of costs not to
 6 exceed 75 percent;

7 “(G) provide matching support in the form
 8 of cash or in kind contributions (including fa-
 9 cilities, equipment, or services provided by State
 10 and local governments and private sources); and

11 “(H) cooperate in an evaluation to be car-
 12 ried out by the Secretary.”; and

13 (3) by redesignating subsection (i) as subsection
 14 (f), and amending paragraph (1) of such subsection
 15 to read as follows:

16 “(1) *IN GENERAL.*—There is authorized to be ap-
 17 propriated such sums as may be necessary for car-
 18 rying out this section for fiscal years 2004 through
 19 2008.”.

20 **SEC. 303. FRUITS AND VEGETABLE COMMODITIES.**

21 Section 6(c)(1)(D) of the Richard B. Russell National
 22 School Lunch Act (42 U.S.C. 1755(c)(1)(D)) is amended by
 23 inserting “, and fruits and vegetables” before the period.

1 **SEC. 304. FLUID MILK.**

2 Section 9(a)(2) of the Richard B. Russell National
3 School Lunch Act (42 U.S.C. 1758(a)(2)) is amended to
4 read as follows:

5 “(2) *FLUID MILK.*—

6 “(A) *IN GENERAL.*—Lunches served by
7 schools participating in the school lunch pro-
8 gram under this Act—

9 “(i) shall offer students fluid milk in a
10 variety of fat contents;

11 “(ii) may offer students flavored and
12 unflavored fluid milk and lactose-free fluid
13 milk; and

14 “(iii) shall provide a substitute for
15 fluid milk for students whose disability re-
16 stricts their diet, upon receipt of a written
17 statement from a licensed physician that
18 identifies the disability that restricts the
19 student’s diet and that specifies the sub-
20 stitute for fluid milk.

21 “(B) *SUBSTITUTES.*—

22 “(i) *STANDARDS FOR SUBSTITUTION.*—
23 Schools may substitute for the fluid milk
24 provided under subparagraph (A), a non-
25 dairy beverage that is nutritionally equiva-
26 lent to fluid milk and meets nutritional

standards as established by the Secretary (which shall, among other requirements to be determined by the Secretary, include fortification of calcium, protein, vitamin A, and vitamin D to levels found in cow's milk) for students who cannot consume fluid milk because of a medical or other special dietary need other than a disability described in subparagraph (A)(iii).

“(ii) NOTICE.—Such substitutions may be made if the school notifies the State agency that it is implementing a variation allowed under this subparagraph, and if such substitution is requested by written statement of a medical authority or by a student's parent or legal guardian that identifies the medical or other special dietary need that restricts the student's diet, provided that the school shall not be required to provide beverages other than those it has identified as acceptable substitutes.

“(iii) EXCESS EXPENSES BORNE BY THE SCHOOL DISTRICT.—Expenses incurred in providing substitutions pursuant to this subparagraph that are in excess of those

1 covered by reimbursements under this Act
 2 shall be paid by the school district.

3 “(C) *RESTRICTIONS ON SALE OF MILK PRO-*
 4 *HIBITED.*—A school or institution that partici-
 5 pates in the school lunch program under this Act
 6 shall not directly or indirectly restrict the sale or
 7 marketing of fluid milk products by the school
 8 (or by a person approved by the school) at any
 9 time or any place—

10 “(i) on the school premises; or

11 “(ii) at any school-sponsored event.”.

12 **SEC. 305. WAIVER OF REQUIREMENTS FOR WEIGHTED**
 13 **AVERAGES FOR NUTRIENT ANALYSIS.**

14 Section 9(f)(5) of the Richard B. Russell National
 15 School Lunch Act (42 U.S.C 1758(f)(5)) is amended to read
 16 as follows:

17 “(5) *WAIVER OF REQUIREMENTS FOR WEIGHTED*
 18 *AVERAGES FOR NUTRIENT ANALYSIS.*—State edu-
 19 cational agencies may grant waivers to school food
 20 authorities to the requirement for weighted averages
 21 for nutrient analysis of menu items and foods offered
 22 or served as part of a meal offered or served under
 23 the school lunch program under this Act or the school
 24 breakfast program under section 4 of the Child Nutri-
 25 tion Act of 1966 (42 U.S.C. 1773) if—

1 “(A) the school food authority has an equiv-
2 alent system for conducting a nutrient analysis,
3 subject to State agency approval; and

4 “(B) the equivalent system adequately docu-
5 ments the extent to which the school food author-
6 ity is meeting the Dietary Guidelines for Ameri-
7 cans and other nutrition standards.

8 *In addition, the Secretary may waive, on a case by*
9 *case basis, the requirement for a State agency to use*
10 *weighted averages when conducting a nutrient anal-*
11 *ysis as part of a review (of compliance with the Die-*
12 *tary Guidelines and other nutrition standards) of a*
13 *school food authority not using nutrient standard*
14 *menu planning, when, in the Secretary’s determina-*
15 *tion, an alternative analysis would yield results that*
16 *would adequately measure a school food authority’s*
17 *compliance with current nutrition standards for*
18 *school meals.”.*

19 **SEC. 306. WHOLE GRAINS.**

20 *Not later than 18 months after the date of enactment*
21 *of this Act, the Secretary shall promulgate rules, based on*
22 *Federal nutrition guidelines, to increase the presence of*
23 *whole grains in foods offered in school nutrition programs*
24 *under the Richard B. Russell National School Lunch Act*

1 *(42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966*
 2 *(42 U.S.C. 1771 et seq.).*

3 **TITLE IV—IMPROVING THE**
 4 **WOMEN, INFANTS, AND CHIL-**
 5 **DREN PROGRAM**

6 **SEC. 401. DEFINITION OF NUTRITION EDUCATION.**

7 *Section 17(b)(7) of the Child Nutrition Act of 1966*
 8 *(42 U.S.C. 1786(b)(7)) is amended—*

9 *(1) by inserting “and physical activity” after*
 10 *“dietary habits”; and*

11 *(2) by striking “nutrition and health” and in-*
 12 *serting “nutrition, health, and child development”.*

13 **SEC. 402. DEFINITION OF SUPPLEMENTAL FOODS.**

14 *Section 17(b)(14) of the Child Nutrition Act of 1966*
 15 *(42 U.S.C. 1786(b)(14)) is amended by inserting after*
 16 *“children” the following: “and foods that promote health as*
 17 *indicated in the most recent Dietary Guidelines for Ameri-*
 18 *cans published under section 301 of the National Nutrition*
 19 *Monitoring and Related Research Act of 1990 (7 U.S.C.*
 20 *5341)”.*

21 **SEC. 403. IMPROVING CERTIFICATION.**

22 *(a) CERTIFICATION OF WOMEN WHO ARE*
 23 *BREASTFEEDING.—Section 17(d)(3)(A) of the Child Nutri-*
 24 *tion Act of 1966 (42 U.S.C. 1786(d)(3)(A)) is amended by*
 25 *adding at the end the following: “A State may certify*

1 *breast-feeding women for up to 1 year, or until women stop*
 2 *breast-feeding, whichever is earlier.”.*

3 (b) *PHYSICAL PRESENCE REQUIREMENT.*—Section
 4 *17(d)(3)(C)(ii) of the Child Nutrition Act of 1966 (42*
 5 *U.S.C. 1786(d)(3)(C)(ii)) is amended—*

6 (1) *in subclause (I)(bb), by striking “from a pro-*
 7 *vider other than the local agency; or” and inserting*
 8 *a semicolon;*

9 (2) *in subclause (II)(cc), by striking the period*
 10 *at the end and inserting “; and”; and*

11 (3) *by inserting after subclause (II) the fol-*
 12 *lowing:*

13 “(III) *an infant under 8 weeks of*
 14 *age—*

15 “(aa) *who cannot be present*
 16 *at certification for a reason deter-*
 17 *mined appropriate by the local*
 18 *agency; and*

19 “(bb) *for whom all necessary*
 20 *certification information is pro-*
 21 *vided.”.*

22 (c) *PROCESSING APPLICATIONS UNDER SPECIAL CIR-*
 23 *CUMSTANCES.*—Section *17(f)(1)(C) of the Child Nutrition*
 24 *Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is amended by—*

1 (1) redesignating clauses (ix) and (x) as clauses
2 (x) and (xi), respectively; and

3 (2) inserting after clause (viii) the following:

4 “(ix) procedures whereby a State agen-
5 cy may accept and process vendor applica-
6 tions outside of the established time-frames,
7 such as in situations in which a previously
8 authorized vendor changes ownership under
9 circumstances that do not permit timely no-
10 tification to the State agency of such change
11 in ownership;”.

12 (d) *RESCHEDULING POLICIES*.—Section 17(f)(19) of
13 the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(19)) is
14 amended—

15 (1) in subparagraph (A), by striking “; and”
16 and inserting a semicolon;

17 (2) in subparagraph (B), by striking the period
18 and inserting “; and”; and

19 (3) by adding at the end the following:

20 “(C) require local agencies to permit an appli-
21 cant or participant to reschedule an appointment to
22 apply or be recertified for the program.”.

1 **SEC. 404. REVIEWS OF AVAILABLE SUPPLEMENTAL FOODS.**

2 (a) *SCIENTIFIC REVIEW.*—Section 17(f)(11) of the
3 *Child Nutrition Act of 1966* (42 U.S.C. 1786(f)(11)) is
4 amended to read as follows:

5 “(11)(A) *The Secretary shall prescribe by regulations*
6 *the supplemental foods to be made available in the program*
7 *under this section. To the degree possible the Secretary shall*
8 *assure that the fat, sugar, and salt content of the prescribed*
9 *foods is appropriate.*

10 “(B) *Beginning in 2013 and every 10 years thereafter,*
11 *or more frequently if determined by the Secretary to be nec-*
12 *essary to reflect current scientific knowledge, the Secretary*
13 *shall conduct a scientific review of the supplemental foods*
14 *available in the program and recommend, as necessary,*
15 *changes to reflect nutrition science, current public health*
16 *concerns, and cultural eating patterns.”.*

17 (b) *RULEMAKING.*—*The Secretary shall promulgate a*
18 *rule updating the prescribed supplemental foods available*
19 *through the program authorized under section 17 of the*
20 *Child Nutrition Act of 1966* (42 U.S.C. 1786) *within 6*
21 *months of receiving the review of the food package for such*
22 *program undertaken by the National Academy of Sciences,*
23 *Institute of Medicine in September 2003.*

1 **SEC. 405. NOTIFICATION OF VIOLATIONS AND INFANT FOR-**
2 **MULA BENEFITS.**

3 *Section 17(f) of the Child Nutrition Act of 1966 (42*
4 *U.S.C. 1786(f)) is amended by adding at the end the fol-*
5 *lowing:*

6 “(25) *NOTIFICATION OF VIOLATIONS.—If a State*
7 *agency finds that a vendor has committed a violation*
8 *that requires a pattern of occurrences in order to im-*
9 *pose a sanction, the State agency shall notify the ven-*
10 *dor of the initial violation in writing prior to docu-*
11 *mentation of another violation, unless the State agen-*
12 *cy determines that notifying the vendor would com-*
13 *promise its investigation.*

14 “(26) *INFANT FORMULA BENEFITS.—*

15 “(A) *IN GENERAL.—The State agency may*
16 *round up to the next whole can of infant formula*
17 *to ensure that all infants receive the full-author-*
18 *ized nutritional benefit specified by regulation.*

19 “(B) *LIMITATION.—Subparagraph (A) ap-*
20 *plies only to infant formula contracts awarded*
21 *under bid solicitations made on or after October*
22 *1, 2004.”.*

23 **SEC. 406. HEALTHY PEOPLE 2010 INITIATIVE.**

24 *Section 17(h)(4) of the Child Nutrition Act of 1966*
25 *(42 U.S.C. 1786(h)(4)) is amended—*

1 (1) in subparagraph (D), by striking “; and”
2 and inserting a semicolon;

3 (2) in subparagraph (E), by striking the period
4 at the end and inserting “; and”; and

5 (3) by inserting after subparagraph (E) the fol-
6 lowing:

7 “(F) partner with communities, State and
8 local agencies, employers, health care profes-
9 sionals, and the private sector to build a sup-
10 portive breastfeeding environment for women
11 participating in the program under this section
12 to support the breastfeeding goals of the Healthy
13 People 2010 initiative.”.

14 **SEC. 407. COMPETITIVE BIDDING.**

15 Section 17(h)(8)(A) of the Child Nutrition Act of 1966
16 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end
17 the following:

18 “(iv) *REBATE INVOICES*.—Each State
19 agency shall have a system to ensure that
20 infant formula rebate invoices, under com-
21 petitive bidding, provide a reasonable esti-
22 mate or an actual count of the number of
23 units sold to participants in the program
24 under this section.

1 “(v) *CENT-FOR-CENT ADJUSTMENTS.*—
 2 *A bid solicitation for infant formula under*
 3 *the program made on or after October 1,*
 4 *2004 shall require the manufacturer to ad-*
 5 *just for price changes subsequent to the*
 6 *opening of the bidding process in a manner*
 7 *that requires—*

8 “(I) *a cent-for-cent increase in the*
 9 *rebate amounts if there is an increase*
 10 *in the lowest national wholesale price*
 11 *for a full truckload of the particular*
 12 *infant formula; or*

13 “(II) *a cent-for-cent decrease in*
 14 *the rebate amounts if there is a de-*
 15 *crease in the lowest national wholesale*
 16 *price for a full truckload of the par-*
 17 *ticular infant formula.”.*

18 **SEC. 408. FRUIT AND VEGETABLE PROJECTS.**

19 *Section 17(h)(10)(B)(ii) of the Child Nutrition Act of*
 20 *1966 (42 U.S.C. 1786(h)(10)(B)(ii)) is amended by insert-*
 21 *ing after “under this section” the following: “, which may*
 22 *include demonstration projects in up to 10 local sites, deter-*
 23 *mined to be geographically and culturally representative of*
 24 *local States and Indian agencies, to evaluate the inclusion*
 25 *of fresh, frozen, or canned fruits and vegetables (to be made*

1 *available through private funds) as an addition to the sup-*
 2 *plemental food provided under this section”.*

3 ***SEC. 409. PRICE LEVELS OF RETAIL STORES.***

4 *Section 17(h)(11) of the Child Nutrition Act of 1966*
 5 *is amended by adding at the end the following:*

6 *“(C) ADDITIONAL REQUIREMENTS.—*

7 *“(i) The State agency shall evaluate a*
 8 *vendor applicant based on its shelf prices or*
 9 *on the prices it bids for supplemental foods,*
 10 *which may not exceed its shelf prices.*

11 *“(ii) The State agency shall establish*
 12 *price limitations on the amount that it will*
 13 *pay vendors for supplemental foods. The*
 14 *State agency shall ensure that price limita-*
 15 *tions do not result in inadequate partici-*
 16 *pant access by geographic area.*

17 *“(iii) In establishing competitive price*
 18 *and price limitation requirements, the State*
 19 *agency may exclude pharmacy vendors that*
 20 *supply only exempt infant formula or med-*
 21 *ical foods that are eligible under the pro-*
 22 *gram.*

23 *“(iv) The State agency shall establish*
 24 *competitive price requirements and price*
 25 *limitations for vendor peer groups, as nec-*

1 *essary to ensure that prices paid to vendors*
 2 *are competitive. Vendor peer group competi-*
 3 *tive price requirements and price limita-*
 4 *tions may reflect reasonable estimates of*
 5 *varying costs of acquisition of supplemental*
 6 *foods.*

7 *“(D) INCENTIVE ITEMS.—The State agency*
 8 *shall not authorize a retail food store that pro-*
 9 *vides incentive items or other free merchandise to*
 10 *program participants if funds available under*
 11 *this program were used to purchase such items*
 12 *or merchandise.*

13 *“(E) RULES OF CONSTRUCTION.—Nothing*
 14 *in this section may be construed to authorize vio-*
 15 *lation of the Sherman Antitrust Act (15 U.S.C.*
 16 *1 et seq.) or the Robinson-Patman Act (15*
 17 *U.S.C. 13 et seq.).”.*

18 **SEC. 410. MANAGEMENT INFORMATION SYSTEMS.**

19 *Section 17(h)(12) of the Child Nutrition Act of 1996*
 20 *(42 U.S.C. 1786(h)(12)) is amended—*

21 *(1) by amending subparagraph (B) to read as*
 22 *follows:*

23 *“(B) ELECTRONIC BENEFIT TRANSFER SYS-*
 24 *TEMS.—*

1 “(i) *IN GENERAL.*—*All States that re-*
 2 *ceive Federal funds for design or implemen-*
 3 *tation of electronic benefit transfer (EBT)*
 4 *systems for the program under this section*
 5 *shall use technical specifications or stand-*
 6 *ards, as applicable, as determined by the*
 7 *Secretary, except as provided in clause (ii).*

8 “(ii) *EXISTING SYSTEMS.*—*EBT sys-*
 9 *tems for the program under this section that*
 10 *are in development or are issuing benefits*
 11 *as of the date of enactment shall be required*
 12 *to submit within 6 months after the date of*
 13 *enactment of this subparagraph a plan for*
 14 *compliance.*

15 “(iii) *WAIVER.*—*The Secretary may*
 16 *waive compliance with this subparagraph*
 17 *for State EBT systems for the program*
 18 *under this section that are issuing benefits*
 19 *as of the date of enactment of this subpara-*
 20 *graph until such time that compliance is*
 21 *feasible.”; and*

22 (2) *by amended subparagraph (C) to read as fol-*
 23 *lows:*

24 “(C) *UNIVERSAL PRODUCT CODES DATABASE.*—

25 *The Secretary shall implement a national Universal*

1 *Product Code Database for use by all State agencies*
 2 *in carrying out the program and shall make available*
 3 *from appropriated funds such sums as may be re-*
 4 *quired for hosting, hardware, and software configura-*
 5 *tion, and support.”.*

6 **SEC. 411. INFANT FORMULA FRAUD PREVENTION.**

7 *Section 17(h) of the Child Nutrition Act of 1966 (42*
 8 *U.S.C. 1786(h)) is further amended by adding at the end*
 9 *the following:*

10 “(13) *APPROVED PROVIDERS OF INFANT FORMULA.—*

11 “(A) *IN GENERAL.—The State agency shall*
 12 *maintain a list of infant formula manufacturers,*
 13 *wholesalers, distributors, and retailers approved to*
 14 *provide infant formula to vendors.*

15 “(B) *LIST.—The list required under subpara-*
 16 *graph (A) shall include food manufacturers, whole-*
 17 *salers, distributors, and retailers licensed in the State*
 18 *in accordance with State law and regulations to dis-*
 19 *tribute infant formula and food manufacturers reg-*
 20 *istered with the U.S. Food and Drug Administration*
 21 *that provide infant formula.*

22 “(C) *PURCHASE REQUIREMENT.—Vendors au-*
 23 *thorized to participate in the program under this sec-*
 24 *tion shall purchase infant formula from the list re-*
 25 *quired under subparagraph (A).”.*

1 **SEC. 412. STATE ALLIANCES.**

2 *Section 17 of the Child Nutrition Act of 1966 (42*
 3 *U.S.C. 1786) is further amended—*

4 *(1) in subsection (b) by adding at the end the*
 5 *following:*

6 “(22) ‘State alliance’ means 2 or more State
 7 agencies that join together for the purpose of pro-
 8 curing infant formula by soliciting competitive bids.”;
 9 and

10 *(2) in subsection (h)(8)(A) by adding at the end*
 11 *the following:*

12 “(vi) *SIZE OF STATE ALLIANCES.*—No
 13 State alliance may form among States
 14 whose infant participation exceeds 200,000
 15 based on program participation as of Octo-
 16 ber 2003, except that—

17 “(I) an alliance among States
 18 with a combined 200,000 infant par-
 19 ticipants as of October 2003 may con-
 20 tinue, and may expand to include
 21 more than 200,000 infants, but may
 22 not expand to include any additional
 23 State agencies that were not included
 24 in the alliance as of October 1, 2003,
 25 other than as provided in subclause
 26 (II); and

1 “(II) any State agency serving
 2 fewer than 5,000 infant participants
 3 as of October 2003, or any Indian
 4 Tribal Organization, may request to
 5 join any State alliance.”.

6 **SEC. 413. LIMITS ON EXPENDITURES.**

7 Section 17(i)(3)(A)(ii)(I) of the Child Nutrition Act
 8 of 1966 (42 U.S.C. 1786(i)(3)(A)(ii)(I)) is amended by
 9 striking “1 percent” and inserting “3 percent”.

10 **SEC. 414. MIGRANT AND COMMUNITY HEALTH CENTERS INI-**
 11 **TIATIVE.**

12 Section 17(j) of the Child Nutrition Act of 1966 (42
 13 U.S.C. 1786(j)) is amended by striking paragraph (4) and
 14 redesignating paragraph (5) as paragraph (4).

15 **SEC. 415. DEMONSTRATION PROJECTS.**

16 (a) *CHILD NUTRITION ACT OF 1966.*—Section 17 of
 17 the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amend-
 18 ed by striking subsection (r).

19 (b) *NATIONAL SCHOOL LUNCH ACT.*—Section 12 of the
 20 Richard B. Russell National School Lunch Act (42 U.S.C.
 21 1760) is amended by striking subsection (p).

22 **SEC. 416. AUTHORIZATION OF APPROPRIATIONS.**

23 (a) *REAUTHORIZATION OF PROGRAM.*—Section 17(g)
 24 of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is
 25 amended by striking “(g)(1) There are authorized” and all

1 *that follows through “through 2003.” in paragraph (1) and*
 2 *inserting the following:*

3 “(g) *AUTHORIZATION OF APPROPRIATIONS.—*

4 “(1) *IN GENERAL.—There is authorized to be ap-*
 5 *propriated to carry out this section such sums as are*
 6 *necessary for each of fiscal years 2004 through 2008.”.*

7 (b) *NUTRITION SERVICES AND ADMINISTRATION*
 8 *FUNDS.—Section 17(h) of the Child Nutrition Act of 1966*
 9 *(42 U.S.C. 1786(h)) is amended—*

10 (1) *in paragraph (2)(A), by striking “1995*
 11 *through 2003” and inserting “2004 through 2008”;*
 12 *and*

13 (2) *in paragraph (10)(A), by striking “1995*
 14 *through 2003” and inserting “2004 through 2008”.*

15 (c) *FARMERS’ MARKET NUTRITION PROGRAM.—Sec-*
 16 *tion 17(m)(9)(A)(i) of the Child Nutrition Act of 1966 (42*
 17 *U.S.C. 1786(m)(9)) is amended to read as follows:*

18 “(i) *AUTHORIZATION OF APPROPRIA-*
 19 *TIONS.—There is authorized to be appro-*
 20 *priated to carry out this subsection such*
 21 *sums as are necessary for each of fiscal*
 22 *years 2004 through 2008.”.*

1 **TITLE V—REAUTHORIZATION,**
 2 **MISCELLANEOUS PROVI-**
 3 **SIONS, AND EFFECTIVE DATE.**

4 **SEC. 501. TRAINING, TECHNICAL, AND OTHER ASSISTANCE.**

5 *Section 21(a)(1) of the Richard B. Russell National*
 6 *School Lunch Act (42 U.S.C. 1769b–1(a)(1)) is amended*
 7 *to read as follows:*

8 “(1) subject to the availability of and from
 9 amounts appropriated pursuant to subsection (e)(1),
 10 shall provide—

11 “(A) training and technical assistance to
 12 improve the skills of individuals employed in
 13 food service programs carried out under this Act,
 14 section 4 of the Child Nutrition Act of 1966 (42
 15 U.S.C. 1773), and, as appropriate, other feder-
 16 ally assisted feeding programs;

17 “(B) training and technical assistance to
 18 States, State agencies, schools, and school food
 19 authorities in the procurement of goods and serv-
 20 ices for programs under this Act and the Child
 21 Nutrition Act of 1966 (42 U.S.C. 1771 et seq.),
 22 including training and technical assistance to
 23 ensure compliance with section 12(n) of this Act
 24 (42 U.S.C. 1760(n));

1 “(C) assistance, on a competitive basis, to
2 State agencies for the purpose of aiding schools
3 and school food authorities with at least 50 per-
4 cent of enrolled children certified to receive free
5 or reduced price meals, and, if there are any re-
6 maining funds, other schools and school food au-
7 thorities in meeting the cost of acquiring or up-
8 grading technology and information manage-
9 ment systems for use in food service programs
10 carried out under this Act and section 4 of the
11 Child Nutrition Act of 1966 (42 U.S.C. 1773) if
12 the school or school food authority submits to the
13 State agency an infrastructure development plan
14 that addresses the cost savings and improvements
15 in program integrity and operations that would
16 result from the use of new or upgraded tech-
17 nology in—

18 “(i) methods to ensure that there shall
19 not be any overt identification of any such
20 child by special tokens or tickets, announced
21 or published list of names, or by any other
22 means;

23 “(ii) processing and verifying applica-
24 tions for free and reduced price school
25 meals;

1 “(iii) integrating menu planning, pro-
 2 duction, and serving data to monitor com-
 3 pliance with section 9(f)(1); and

4 “(iv) establishing compatibility with
 5 statewide reporting systems;

6 “(D) assistance, on a competitive basis, to
 7 State agencies with low proportions of schools or
 8 students that participate in the school breakfast
 9 program under section 4 of the Child Nutrition
 10 Act of 1966 (42 U.S.C. 1773) and that dem-
 11 onstrate the greatest need, for the purpose of aid-
 12 ing schools in meeting costs associated with ini-
 13 tiating or expanding a school breakfast program
 14 under section 4 of the Child Nutrition Act of
 15 1966 (42 U.S.C. 1773), including outreach and
 16 informational activities; and”.

17 **SEC. 502. NOTICE OF IRRADIATED FOOD.**

18 Section 14 of the Richard B. Russell National School
 19 Lunch Act (42 U.S.C. 1762a) is amended by adding at the
 20 end the following:

21 “(h) NOTICE OF IRRADIATED FOOD.—The Secretary
 22 shall develop policy and establish procedures for the pur-
 23 chase and distribution of irradiated food products in Fed-
 24 eral school meals programs. The policies and procedures
 25 shall ensure at a minimum that—

1 “(1) irradiated food products are made available
2 only at the request of States and school food authori-
3 ties;

4 “(2) reimbursements to schools for irradiated
5 food products are equal to reimbursements to schools
6 for non-irradiated products;

7 “(3) States and school food service authorities
8 are provided factual information on the science and
9 evidence regarding irradiation technology, including
10 notice that irradiation is not a substitute for safe food
11 handling techniques and any such other information
12 necessary to promote food safety in school meal pro-
13 grams;

14 “(4) States and school food service authorities
15 are provided model procedures for providing factual
16 information on the science and evidence regarding ir-
17 radiation technology and any such other information
18 necessary to promote food safety in school meals to
19 school food service authorities, parents, and students
20 regarding irradiation technology;

21 “(5) irradiated food products distributed to the
22 Federal school meals program are labeled with a sym-
23 bol or other printed notice indicating that the product
24 was treated with irradiation and is prominently dis-

1 *played in a clear and understandable format on the*
 2 *container;*

3 *“(6) irradiated products are not commingled*
 4 *with non-irradiated products in containers; and*

5 *“(7) encourages schools that offer irradiated*
 6 *foods to offer alternatives to irradiated food products*
 7 *as part of the meal plan used by schools.”.*

8 **SEC. 503. SENSE OF CONGRESS.**

9 *Section 12 of the Richard B. Russell National School*
 10 *Lunch Act (42 U.S.C. 1760) is further amended by adding*
 11 *at the end the following:*

12 *“(p) SENSE OF CONGRESS.—It is the sense of Congress*
 13 *that Federal resources provided under this Act and the*
 14 *Child Nutrition Act of 1966 dedicated to child nutrition*
 15 *should support the most effective programs within the Fed-*
 16 *eral agency that is most capable of assisting children in*
 17 *nutritional need. Congress encourages the elimination of*
 18 *initiatives that are duplicative of other Federal efforts, par-*
 19 *ticularly those that are duplicative of programs conducted*
 20 *under this Act and the Child Nutrition Act of 1966.”.*

21 **SEC. 504. REAUTHORIZATION OF PROGRAMS.**

22 *(a) STATE ADMINISTRATIVE EXPENSES.—Section 7(i)*
 23 *of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g)) (as*
 24 *amended by this Act) is amended by striking “2003” and*
 25 *inserting “2008”.*

1 (b) *COMMODITY DISTRIBUTION PROGRAM.*—

2 (1) *Section 14(a) of the Richard B. Russell Na-*
 3 *tional School Lunch Act (42 U.S.C. 1762a(a)) is*
 4 *amended by striking “March 31, 2004” and inserting*
 5 *“September 30, 2008”.*

6 (2) *Section 15(e) of the Commodity Distribution*
 7 *Reform Act and WIC Amendments of 1987 (7 U.S.C.*
 8 *612c note; Public Law 100–237) is amended by strik-*
 9 *ing “April 1, 2004” and inserting “October 1, 2008”.*

10 (c) *PURCHASES OF LOCALLY PRODUCED FOODS.*—
 11 *Section 9(j)(2)(A) of the Richard B. Russell National*
 12 *School Lunch Act (42 U.S.C. 758(j)(2)(A)) is amended by*
 13 *striking “2007” and inserting “2008”.*

14 (d) *TRAINING, TECHNICAL ASSISTANCE, AND FOOD*
 15 *SERVICE MANAGEMENT INSTITUTE.*—*Section 21(g)(1) of*
 16 *the Richard B. Russell National School Lunch Act (42*
 17 *U.S.C. 1769b–1(e)(1)) (as amended by this Act) is further*
 18 *amended by striking “for each of fiscal years 1992 through*
 19 *2003” and inserting “for fiscal year 2004, and such sums*
 20 *as may be necessary for fiscal years 2005 through 2008”.*

21 (e) *COMPLIANCE AND ACCOUNTABILITY.*—*Section*
 22 *22(d) of the Richard B. Russell National School Lunch Act*
 23 *(42 U.S.C. 1769c(d)) is amended by striking “2003” and*
 24 *inserting “2008”.*

1 **SEC. 505. EFFECTIVE DATES.**

2 *The amendments made by sections 101, 104, 105(a),*
3 *202, 410, 416, and 504 shall take effect on the date of enact-*
4 *ment of this Act. The amendments made by sections 201*
5 *and 208(c) shall take effect on July 1, 2005. All other*
6 *amendments made by this Act shall take effect October 1,*
7 *2005.*

Union Calendar No. 258

108TH CONGRESS
2^D Session

H. R. 3873

[Report No. 108-445]

A BILL

To amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes.

MARCH 23, 2004

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed